Uncovering Institutional and Organizational Factors Influencing Corporate Philanthropy in Professional Sport: Why Some Teams Give More than Others

by

Daniel F. Yang

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Doctoral Committee:

Associate Professor Katherine M. Babiak, Chair
Professor Gerald F. Davis
Associate Professor Kathryn L. Heinze
Associate Professor Sara Soderstrom

Daniel F. Yang

dfyang@umich.edu

ORCID iD: 0000-0003-4933-3554

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ABSRACT

Corporate philanthropy has noticeably kept its momentum as a growing trend across the globe in various industries. While existing literature has mainly focused on the nature and motivation of corporate philanthropy from various perspectives, this dissertation shifts our attention to the variation of corporate philanthropy among organizations in the same industry. Specifically, the dissertation seeks to answer the following research question in the professional sport context: why do some teams give more than others despite being in the same industry? The dissertation aims to provide a comprehensive understanding of how institutional and organizational factors influence the philanthropic activities of professional sport teams through their associated charitable foundations. To this end, three distinct studies were conducted using longitudinal philanthropic giving data from team foundations in four professional sport leagues in the United States. The studies presented in the dissertation provide a multilateral understanding of the factors influencing professional sport teams' corporate philanthropy. Study 1 examines how the presence of multiple peers from different institutional fields (i.e., professional sport league and geographic community) affects sport teams in terms of influencing their philanthropic contributions (Chapter II). The results suggest that sport teams are more likely to be affected by the philanthropic giving levels of their league peers than their local peers, and the effect of league peers is stronger when the team's foundation size is smaller. Study 2 questions how community institutional forces (i.e., regulative, socio-normative, and cultural-cognitive) affect professional sport teams in terms of their charitable contributions (Chapter III).

The findings show that higher state income tax rates and a greater presence of nonprofits in the community increase the level of team philanthropic giving. Study 3 explores the influence of team foundation governance on a professional sport team's philanthropic giving (Chapter IV). The results suggest that larger foundation board size and presence of a paid foundation executive director increase philanthropic giving of professional sport teams. Collectively, the findings of this dissertation highlight that CP is a multifaceted and contextual organizational phenomenon whose drivers and outcomes vary by institutional and organizational environments in which professional sport teams operates.

CHAPTER I

Introduction

Over the last several decades, there has been an increasing demand for socially responsible actions from companies around the world (Crane, Matten, & Spence, 2013; Sánchez -Torné, Morán-Álvarez, & Pérez-López, 2020). As one widespread and traditional pillar of corporate social responsibility (CSR), corporate philanthropy (CP) has noticeably gained momentum as a growing trend across all industries (von Schnurbein, Seele, & Lock, 2016). CP is defined as philanthropic contributions by a corporation to a charity or cause, most often in the form of cash donations, in-kind goods, or service to promote a community's welfare (Kotler & Lee, 2005). According to a recent report on CP by Giving USA Foundation (2018), charitable giving by corporations in the United States was estimated to have increased by 5.7 percent (adjusted for inflation) in 2017, totaling $20.77 billion.

A growing number of stakeholder groups, including those who have direct and indirect relationships with firms, such as shareholders, employees, consumers, and suppliers, have begun to perceive CP as an appropriate and legitimate corporate activity (Margolis & Walsh, 2003; Hall, 2006; Liket & Simaens, 2015). Together, many companies have begun to approach CP more strategically by emphasizing a strong alignment between core business areas and identified social goals (Foster, Meinhard, Berger, & Krpan, 2009). With these social and strategic pressures encouraging businesses to engage in CP, notably, corporations have increasingly established associated charitable foundations (i.e., corporate foundations) to institutionalize practices around

philanthropy and giving (von Schnurbein et al., 2016). Corporate foundations are deeply linked to the parent company across various dimensions (e.g., resource exchange, governance, employees, marketing and branding, strategic goals) and have functioned as a primary channel to deliver CP (Pedrini, & Minciullo, 2011; Renz, Roza, & Simons, 2020; Rey-García, Sanzo-Perez, & Álvarez-González, 2018).

As an increasingly institutionalized business practice, a growing body of scholarly literature that has emerged which has helped to develop a deeper theoretical understanding of numerous facets of CP and its contribution to both business outcomes and social impacts. However, much still remains unknown regarding what, how, and who are influential forces underpinning and affecting the practice of CP. This dissertation aims to extend our understanding of how institutional and organizational factors influence the practice by exploring variation of CP in the context of professional sport.

Drivers of Corporate Philanthropy

Management scholars have long debated the drivers and role of business as a tool for social impact (Griffin & Mahon, 1997; Seifert, Morris, & Bartkus, 2004). CP has been a puzzling organizational phenomenon because this altruistic corporate behavior appears to be in conflict with the aims of maximizing economic efficiency and advancing shareholder wealth (Bremmer, 1987; Friedman, 1970). However, subsequent scholarship has shifted the discourse about corporate social influence and responsibility and argued that businesses must also consider the impact of corporate activities on their stakeholders (Freeman & Velamuri, 2006). Together, the instrumental benefits and strategic value of CP have received significant scholarly attention (Godfrey, 2005; Porter & Kramer, 2002; 2006; Saiia, Carroll, & Buchholtz, 2003).

Given this shift in scholarly interest, researchers began to examine nuances around CSR –

specifically focusing on the role CP may play on impacting corporate financial performance (Brammer & Millington, 2005; Godfrey, 2005; Margolis & Walsh, 2001; Wang & Qian, 2011). Some empirical work has argued that CP may help add value by enhancing firm image, reputation, and political legitimacy and promote organizational citizenship behaviors of employees, which may then contribute to a firm's financial success (Bhattacharya & Sen, 2003; Orlitzky, Schmidt, & Rynes, 2003; Wang, Dou, & Jia, 2016; Zhao & Zhang, 2020). Conversely, some research has suggested that there is no significant effect on profits from CP (Griffin & Mahon, 1997; Seifert et al., 2004), while other scholars have argued that there may be negative effects for a company by engaging in CP as it might increase operating costs or other organizational expenses (Plewnia & Guenther, 2017; Schaltegger & Burritt, 2018). Another research stream has argued that although corporations exist to maximize profits, CP involves at least the expression of altruism, such as being a good corporate citizen and giving back to community, without expecting anything in return (i.e., the non-reciprocity condition) (Godfrey, 2005; Love & Higgins, 2007; Saiia, Carroll, & Buchholtz, 2003).

While the economic benefits (or business case) of CP have been found to be inconclusive (Su & Sauerwald, 2018), the practice, as noted earlier, seems to have grown among companies around the world. By understanding the motives and forces influencing the effectiveness and impact of CP, we can gain more insight on how corporations can maximize both business and social impact in a context where the fundamental role of businesses, governments, civil society is constantly evolving (Gautier & Pache, 2015). Using institutional theory as a lens, some scholars have portrayed the advancement and focus of CP as a response to external pressures (Campbell, 2007; Guthrie & McQuarrie, 2008; Marquis, Glynn, & Davis, 2007; Tilcsik & Marquis, 2013). Institutional theory focuses on how institutions shape an organization's actions and drive

conformity to standards, rules, and norms in a given institutional environment (DiMaggio & Powell, 1983). That is, organizations are considered to be part of a broader organizational field (i.e., a community of organizations) who share a common meaning system and whose members engage and interact more frequently and significantly with one another than with actors outside the field (Scott, 2001). From this perspective, CP may be viewed to be driven by institutional pressures from various constituencies (e.g., government, industry peers, competitors, community, nonprofits) in environments or fields in which corporations operate (Ali & Frynas, 2018; Chiu & Sharfman, 2011; Matten & Moon, 2008).

While the institutional theoretical lens examines the influence of external forces on CP, it is also valuable to consider firm-level drivers that support and foster these practices. One stream of research has documented corporate governance as an organizational level driver influencing CP focus and impact (Bear, Rahman, & Post, 2010; Brown, Helland, & Smith, 2006; Marquis & Lee, 2013; Wang & Coffey, 1992). Governance is defined as "…the systems and processes concerned with ensuring the overall direction, control and accountability of an organization" (Cornforth, 2014, p. 5). As CP has become a strategic choice for firms (Porter & Kramer, 2002), this line of scholarship has focused on the relationship between governance mechanisms and characteristics of the corporation and CP / CSR decisions (e.g., ownership structure, board of directors' attributes, or leader / top management qualities). Given the focus on the unique structure and organization around CP practices (i.e., management and oversight mechanisms of corporate foundations as an important channel / tool of CP), questions around the dynamics and features of CP foundation governance have also begun to attract scholarly attention.

The research foci noted above have explored various (internal and external) factors that affect the practice of CP in an effort to answer the fundamental question: "*Why* do corporations

give?". However, this body of research has not yet provided a clear answer to the question: "Why do corporations give *differently*?" For instance, previous studies have found that the institutional determinants of CP are likely to vary from industry to industry due to factors such as the level of competition of an industry corresponding to its industry structure (e.g., oligopoly, monopoly), consumer orientation, or organizational visibility (Brammer & Millington, 2004; Campbell & Slack, 2006; Johnson, 1966). Although these studies explain inter-industry differences in corporate giving strategies (Amato & Amato, 2007; Seifert et al., 2004), little research has addressed why corporations within the same industry display different patterns of CP. For example, research questions may arise: Why and how are some companies able to give more than others? How do different institutional environments in which companies are situated shape their philanthropic giving? What organizational contingencies promote or constrain companies' philanthropic giving? This dissertation seeks to explore and understand these differences in CP in one specific industry – professional sport in the United States.

Corporate Philanthropy and Sport

Major professional sport leagues and teams in North America (e.g., Major League Baseball [MLB], National Basketball Association [NBA], National Football League [NFL], and the National Hockey League [NHL]) have increasingly emphasized the importance and implementation of socially responsible practices (Babiak & Kihl, 2018; Barrett, Bunds, Casper, & Edwards, 2019; Heinze, Soderstrom, & Zdroik, 2014). CP has become a crucial means for professional sport organizations of engaging with local communities, performing civic duties within their communities, and further, fostering loyalty and connections with key stakeholders such as fans, youth, businesses, nonprofit organizations, and local governments (Kihl, Babiak, & Tainsky, 2014; Ratten & Babiak, 2010; Walker & Kent, 2013). Today, most professional sport

teams have established their own charitable foundation to facilitate a team's philanthropic activities, such as fundraising, cash /grant donations, and / or delivering community-oriented programs (Kolyperas, Anagnostopoulos, Chadwick, & Sparks, 2016; Sparvero & Kent, 2014). Indeed, sport teams have raised and disseminated hundreds of millions of dollars annually to support social causes and help underprivileged individuals and groups in their communities (Gumas, 2018).

Although sport scholars have highlighted the prominence of CP and its strategic value in professional sport (Babiak & Wolfe, 2013; Trendafilova, Ziakas, & Sparvero, 2017), professional sport teams have displayed different levels of engagement and intensity in their philanthropic practices (e.g., amount of charitable giving by sport team foundations). For example, significant variation in Major League Baseball (MLB) teams' corporate foundation giving has been reported. In 2015, the Boston Red Sox were the most generous team, contributing over $5,700,000 to their community via their foundation (Red Sox Foundation). Conversely, the Cincinnati Reds Foundation donated $60,000 in 2015 (Littlefield, 2016). Variation exists in not only the giving of financial resources but also the patterns of philanthropic practices in terms of CP form and cause focus (Leszczewicz, 2016; Ochs, 2017). For example, the Chicago Bears of the NFL, through their charitable foundation, Bears Care, issued grants totaling over $19.5 million to over 100 organizations since the foundation's establishment (Chicago Bears, 2019). However, other professional sport teams have broadened the spectrum of CP beyond only financial donations, by developing proprietary community programs focused on pressing social issues and incorporating collaborative features. For instance, the NFL's San Francisco 49ers Foundation, teamed up with Chevron, an American energy corporation, to support underserved local youth to pursue STEM education by developing a targeted academic program disseminated

through local schools (Ochs, 2017). Together, these examples demonstrate the variation and divergent practices of professional sport team CP.

Research Gaps and Aims of Dissertation

While the scope of research on CSR and CP in sport management has expanded over the past few years (Babiak & Kihl, 2018; Cobourn & Frawley, 2017; Walzel, Robertson, & Anagnostopoulos, 2018), a gap remains in our understanding of the heterogeneity of CP in this context. Little is known about the institutional and / or organizational factors influencing variance of CP of professional sport teams. Therefore, this dissertation addresses this research gap and seeks to answer the overarching question: *Why do some teams give more than others despite being in the same industry?*

The purpose of this dissertation is to provide a comprehensive understanding of how institutional and organizational factors influence the philanthropic activities of professional sport teams through their associated charitable foundations. To this end, three distinct studies were conducted to better understand factors impacting variation of CP by using longitudinal philanthropic giving data from team charitable foundations in four professional leagues in the United States. The following section offers a brief overview of the focus of each study.

Overview of Dissertation Structure and Format

Following this introductory chapter, Chapter II (Study 1) explores how the presence of multiple peers from different institutional fields affects sport teams in terms of influencing their philanthropic contributions. Chapter III (Study 2) explores how community institutional forces (i.e., regulative, socio-normative, and cultural-cognitive) affect professional sport teams in terms of their charitable contributions. Chapter IV (Study 3) examines the influence of team foundation governance on a professional sport team's CP outcomes. Each of these chapters is a standalone

paper and includes a separate introduction, literature review and hypotheses, methods, results, discussion, and conclusions. Finally, a general discussion and conclusions of the dissertation as a whole are presented in Chapter V.

Studies 1 and 2 use institutional theory as an overarching lens to discuss the factors influencing the corporate philanthropic behavior of professional sport teams. Specifically, these studies focus on the idea that sport teams are embedded in multiple organizational fields where they face simultaneous institutional influences. For example, professional sport teams operate in specific sport leagues while at the same time, they are rooted in a certain geographic community. An institutionalist perspective argues that organizations look to their institutional peers for cues about appropriate behavior or decision-making (DiMaggio & Powell, 1983), however, when organizations are embedded in multiple organizational fields, they may receive behavioral cues from more than one set of peers. Study 1 examines how league peers (i.e., sport teams in the same league), local peers (i.e., other professional teams from different leagues in the same market / region), and institutional equivalents (i.e., local rival teams from the same league in the same market / region) affect teams in terms of determining the appropriate level of philanthropic giving. This study also tests how team organizational characteristics (i.e., financial performance and sporting performance) moderate the extent to which teams are attentive to their peers regarding CP. The study found that teams were more likely to be attentive to the philanthropic giving levels of league peers than local peers, while the significant effect of local rivals was not found. Overall, this study is novel in that it explores simultaneous institutional pressures shaping professional sport teams' CP.

Study 2 explicitly focuses on the geographic community as an immediate institutional environment. Embeddedness in local communities has an enduring influence on organizational

behavior through various institutional features such as public policy, history, tradition, and local relational systems. Given that professional sport teams are deeply embedded in their geographic communities and serve as representatives of region/cities who share elements of local culture, norms, identity, and laws, Study 2 explores three institutional forces (regulative, normative, and cultural-cognitive) of the geographic community in which a team operates. To examine these effects on a team's corporate philanthropy, the study explores how state income tax rates (regulative force), the number of nonprofit organizations in a community (normative force), and local volunteer rates (cultural-cognitive force) promote or constrain the level of sport teams' philanthropic giving. The results show that higher state income tax rates and a greater presence of nonprofits in the community increase teams' philanthropic giving. This study contributes to a deeper understanding of how professional sport teams are embedded and anchored in the institutional and social structures of a geographic community. Furthermore, this study offers a platform for future research on the discourse of community in the context of sport.

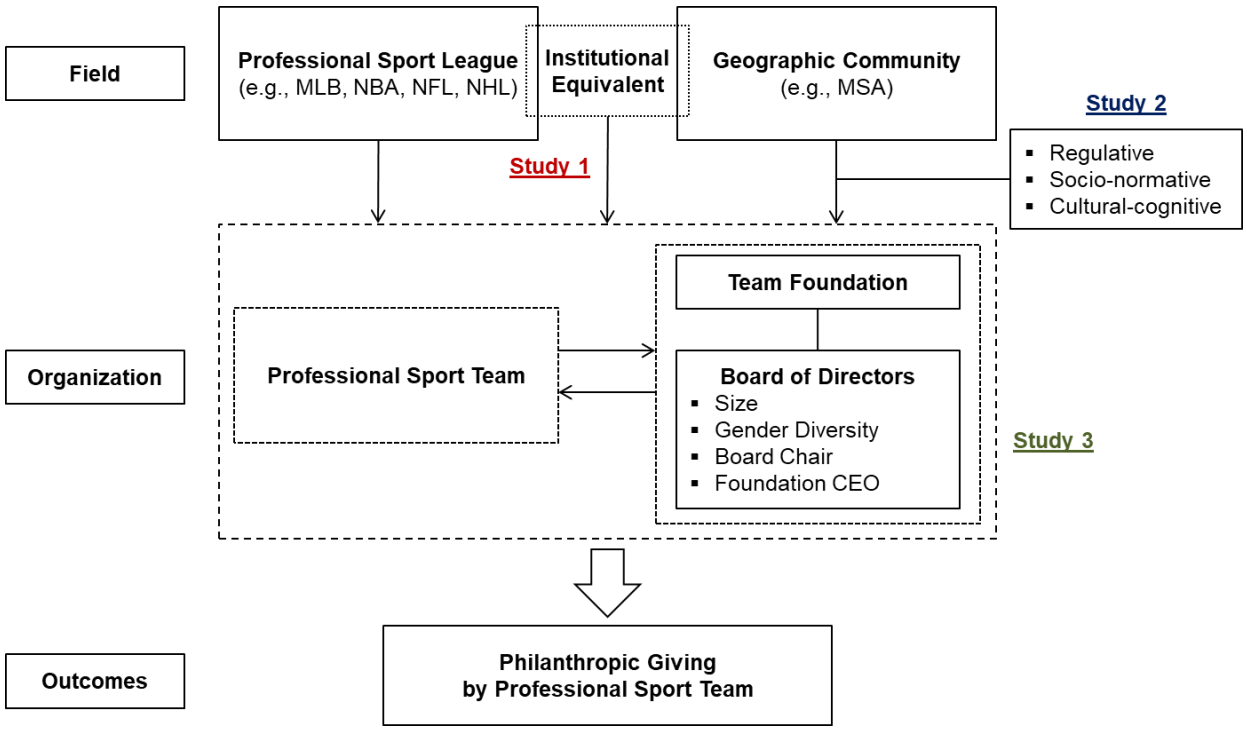
Shifting the research perspective from the institutional level to the organizational level, Study 3 explores how team foundation governance influences a professional sport team's corporate philanthropy outcomes. Despite the growing visibility of team charitable foundations as a central avenue that facilitates corporate philanthropy in professional sport, team foundations as organizational entities in their own right with their own (quasi) independent governance structure have received less scholarly attention in the sport management literature. This study posits that, as an influential decision-making and governance body of team / corporate foundations, the board of directors of the foundation itself would be a vital internal actor in advancing or constraining CP outcomes. The study examines the effect of board structural characteristics (i.e., board size and diversity) and board leadership (i.e., board chair affiliation

with the parent team and presence of a paid executive director) on the level of philanthropic giving of the foundation. The results show that a larger board size and the presence of a paid foundation executive director increases the philanthropic giving of team foundations. The study sheds light on the board attributes of team foundations and provides insights into how the internal governing environment shapes and steers a team foundation's philanthropic practices. Figure 1.1 illustrates the structure of the dissertation.

Overall, the three studies of this dissertation advance the existing literature by providing a multilateral understanding of the factors influencing professional sport teams' CP. The dissertation also contributes to sport management scholarship by offering a theoretical basis for future research on professional sport organizations and social responsibility.

Figure 1.1

Structure of Dissertation



CHAPTER II

How League and Community Affect Corporate Philanthropy in Professional Sport: A Multiple Field Embeddedness Perspective

As public interest in social responsibility in business has increased, professional sport teams have also recognized the importance of their social role in their communities (Kihl, Babiak, & Tainsky, 2014). The growth of socially responsible programs and initiatives in this industry has led researchers to develop a body of scholarship around understanding why professional sport teams might aim at 'doing good for the community.' However, there has been little research which focuses on the varied forms of socially responsible activity and the underlying factors which might lead to a greater impact or emphasis of these initiatives. In particular, a specific form of corporate social responsibility (CSR) – corporate philanthropy (CP) – has received little attention in sport scholarship despite the increased formalization of this business function in practice (Babiak & Wolfe, 2009; Ratten & Babiak, 2010; Rowe, Karg, & Sherry, 2019). Corporate philanthropy, defined as "…a direct contribution by a corporation to a charity or cause, most often in the form of cash grants, donations and/or in-kind services" (Kotler & Lee, 2005, p.144), provides essential resources to community nonprofits and agencies with the aim of addressing critical local – as well as global – issues. Furthermore, CP can provide strategic benefits to firms such as enhanced reputation and image, stronger networks and partnerships, and deeper loyalty of customers and employees (Kihl et al., 2014).

Professional sport teams have raised and distributed hundreds of millions of dollars

annually to help underserved populations and like-minded organizations in their communities (Gumas, 2018). Most sport teams now have an associated nonprofit charitable foundation, dedicated to raising money to give away to local (nonprofit) partners or to support pressing social issues in their communities through proprietary programs (Sparvero & Kent, 2014; Walters & Tacon, 2013). Although the prominence of CP and its widespread presence in professional sport has increased over the past 20 years (Babiak & Wolfe, 2009), professional sport teams have displayed variable levels of engagement, are involved in distinct activities, and importantly make different levels of philanthropic contributions (e.g., amount of charitable giving by team foundations) (Littlefield, 2016; Robinson, 2005).

The question may arise if one looks at this variation of philanthropic involvement in professional sport: why do some teams give a lot while others give little despite being in the same sport industry? There are a variety of factors at individual, organizational, and / or institutional levels that might explain this variation, such as the altruistic motivations of team owners, team financial status, organization history, or the socioeconomic levels of the community in which teams operate. However, little research has addressed the heterogeneity of CP in the context of professional sport. We know little about what factors or mechanisms account for the decision-making process around CP across sport teams. To bridge this research gap, I use institutional theory and multiple field embeddedness perspectives to shed light on what might influence variation in team philanthropic activity.

Institutional theory helps to explain why organizations in the same field will eventually adopt similar courses of action and become increasingly alike over time – that is, they look to their institutional environment and relevant peers for cues on how to behave appropriately (DiMaggio & Powell, 1983). These behavioral cues can come from a community of

organizations (or institutional field) who participate in common activities and are subject to similar reputational or regulatory pressures (DiMaggio & Powell, 1983; Scott, 2001). Such mimetic pressures arise from uncertainty – and may lead firms to imitate other successful firms in their field to gain legitimacy with their peers (Haunschild & Miner, 1997).

Some recent studies have argued that organizations can be embedded in more than one organizational field. That is, organizations may receive many varied behavioral cues from numerous sets of peers (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011) and encounter various institutional influences from different organizational fields (Marquis & Tilcsik, 2016). In this paper, I argue that there may be parallels in the professional sport context where teams must navigate pressures from multiple fields. Thus, a key question becomes: how do teams respond to simultaneous behavioral cues from different sets of peers, such as league peers or local community peers?

The effect of the simultaneous presence in multiple fields has hardly been explored in sport management literature. Some sport scholarship has examined the impact of institutional logics, isomorphism, and organizational change (c.f., Slack & Hinings, 1994; Washington & Ventresca, 2008; Washington & Patterson, 2011; Trendafilova, Babiak, & Heinze, 2013; Heinze & Lu, 2017); however, there is little research that views a professional sport organization as an actor in multiple fields. Furthermore, little is known about how leagues and community, the two distinct institutional influences of professional sport teams, affect their CP activities. Specifically, which set of peers might have a greater influence on a team's philanthropic involvement, and how might the effect of simultaneous institutional influences vary by how sport teams are positioned in multiple fields? Addressing this research gap, this study seeks to answer the following questions: Do sport teams look to their peers for cues about engaging in CP?; If

imitation occurs, which set of peers do sport teams look to for their behavioral cues?; What conditions shape their responses around determining the level of philanthropic contributions?

The purpose of this study is to elaborate on Marquis and Tislick's (2016) research with a specific application to the unique context of CP in U.S. professional sport. This study aims to test how the presence of multiple peers from different institutional fields affects sport teams in terms of their philanthropic contributions. To achieve this, I test the hypotheses through a longitudinal examination of philanthropic activities (giving) made by team foundations in four major professional leagues in the U.S. over 13 years from 2005 to 2017.

Literature Review and Hypotheses

Corporate Philanthropy in Professional Sport

As the growth of socially responsible practices has emerged as a key function of organizational operations in professional sport teams (Godfrey, 2009), the scope and range of activities has also expanded, including a growing emphasis on CP via the establishment of independent charitable foundations (Sparvero & Kent, 2014). The establishment of team foundations is a notable phenomenon because it implies the extent to which teams institutionalize CP into their organizational functions. Babiak and Wolfe (2013) noted that a team charitable foundation, as a separate legal entity, enables more strategic planning and effective coordination of philanthropic activities while capitalizing on a team's organizational resources. The prevalence of sport team foundations increased dramatically in the 1990s (Babiak & Wolfe, 2009; Sparvero & Kent, 2014), and today, most professional teams in the US have an associated charitable foundation.

While the notion of CSR has attracted significant interest in both scholarship and practice in the field of professional sport (Walzel, Robertson, & Anagnostopoulos, 2018), few studies

have addressed CP, corporate giving, or corporate foundations as a specific research topic in the context of professional sport. Some research, notably by Inoue, Kent, and Lee (2011), has investigated the relationship between charitable giving by U.S. team foundations and team financial performance (i.e., attendance and operating margin) and found a non-significant effect of philanthropic practice on firm financial performance. Kolyperas, Anagnostopoulos, Chadwick, and Sparks (2016) examined the effective governance strategies of charitable foundations by professional sport teams. These authors suggested that internal strategies employed by the team and its foundation can co-create CSR value, such as information sharing through customer relationship management systems and social media, staff sharing, and co-training of personnel. Overall, the majority of studies examining socially responsible behavior of professional sport organizations have tended to discuss CP in the broader context of CSR and no studies have examined what might lead to differences in levels of engagement (such as investment in philanthropic giving) of CP in professional sport.

Although professional sport teams are increasingly engaging in CP, it appears to vary in scope and intensity across sport leagues and teams. Sparvero and Kent (2014) analyzed the financial efficiency of 84 professional team foundations in the U.S. and noted the variation of mission-related spending of the foundations across leagues. For instance, from 2002 to 2010, the average of charitable mission related-spending of Major League Baseball (MLB) teams' foundations was $859,549, followed by National Football League (NFL) which spent $612,284, National Basketball Association (NBA) and National Hockey League (NHL) which spent $548,789 and $342,007, respectively (Sparvero & Kent, 2014). Variation across teams within the same league is also evident. For example, significant variation in NFL teams' foundation giving appears to exist with the most generous team in 2017, the San Francisco 49ers, contributing

almost $10,000,000 to the community via the 49ers Foundation, whereas, in the same year, the Minnesota Vikings Foundation gave around $100,000 (See Table 2.1).

Furthermore, CP is closely associated with a corporation's reputation and legitimacy and intertwined with various stakeholders' expectations. Sport teams may face significant uncertainty regarding the appropriate level of philanthropic contributions, since sport teams need to work with a complex set of stakeholders (including peers and competitors from other leagues), which according to Babiak and Wolfe (2013) is one unique aspect of sport with respect to CSR. Thus, sport teams might be even more likely to pay attention to their peers. Given this situation, the way that professional sport teams respond to behavioral cues from their multiple peers may be an important factor accounting for the variance of their philanthropic actions.

Multiple Field Embeddedness: Industry and Community

Scholarship on institutional studies has traditionally focused on institutional isomorphism - that is, the institutional processes that cause organizations in the same field to become more alike in structure and procedural characteristics over time (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). In other words, firms model themselves after other successful firms in their fields when they face uncertainty or ambiguity. More recent institutional research has focused on the central construct of the organizational field, defined as "…a community of organizations that partake of the common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside their field" (Scott, 2001, p. 84). This line of works extends beyond explaining the isomorphic organizational behavior in prior institutional studies and looks to forces that may explain differences in organizational responses. For example, firms may respond differently to institutional pressures due to the temporal or spatial difference in institutional processes (Davis & Greve, 1997), idiosyncratic firm features (Kraatz &

Zajac, 1996), or the existence of other field-level organizations (Lounsbury, 2001). This multiple field embeddedness perspective is a potential factor in explaining variation in the adoption of organizational practices. That is, even firms within the same field may confront different sets of peers if they are simultaneously embedded in other fields.

Some literature on the pressures of institutional fields has shown that a firm's industry peers are the most significant reference group for shaping and influencing organizational practices (Raffaelli & Glynn, 2014; Rao, Greve, & Davis, 2001). For instance, Leary and Roberts (2014) found that companies imitated peer firms in the same industry in terms of their capital structures and financial policies. Moreover, other scholars have found that industry peers influence the adoption of important corporate behaviors such as innovation and strategy (Kim & Pennings, 2009) and CSR practices (Campbell, 2006; Raffaelli & Glynn, 2014).

Other studies have underscored the influence of community embeddedness (e.g., headquartering in a certain city) on corporate behaviors. For instance, Davis and Greve (1997) found that geographic proximity was a crucial avenue for the diffusion of corporate practices. The authors showed that firms were more likely to adopt similar corporate governance practices against hostile takeovers to the extent that other firms in the same metropolitan area had done so. While some scholars have argued that multidimensional institutional influences on firms should be more deeply investigated (Friedland & Alford, 1991), past studies have mainly examined organizations within a single field. However, organizations are embedded in multiple fields and receive simultaneous behavioral cues from distinct fields (Marquis & Tilcsik, 2016).

Because discretionary and non-reciprocity conditions are unique features of CP (Godfrey, 2005), and the hypothetical payoff for philanthropy is both uncertain and difficult to measure (Stendardi, 1992), CP might be one area that many firms view with constant uncertainty. A

number of scholars have suggested that when firms make decisions about their philanthropic contributions, they tend to imitate both industry and community or local peers. For example, Bertels and Peloza (2008) found that firms gather information about charitable activities (e.g., how much to give) from their industry peers before they make their own donations.

Meanwhile, Galaskiewicz (1997) argued that companies headquartered in the same community exerted a significant effect on each other around supporting local nonprofits even if they were not in the same industry field. Marquis, Glynn, and Davis (2007) presented a model of how institutional pressures at the community level shape corporate social action in communities where firms are headquartered. The authors proposed that cultural-cognitive, social–normative, and regulative institutional forces within the community shaped the nature of corporate social action and level of engagement. Bertels and Peloza (2008) also found that executives look to other local companies to calibrate their own firm's CP strategy. Above all, industry and community peers do not always send the same signals about appropriate levels of philanthropic contributions. As a result of this uncertainty, differences in philanthropic giving may vary greatly even among comparable large and profitable firms (Tilcsik & Marquis, 2013).

In the four major U.S. professional sports, teams are simultaneously embedded in a sport league (e.g., MLB, NBA, NFL, or NHL) and a certain geographic / local community (e.g., Detroit, Los Angeles, New York). This means that a team may encounter pressures from industry (league) peers (i.e., sport teams in the same league) as well as local peers (i.e., other professional teams from different leagues in the same region). As Figure 2.1 shows, the Detroit Tigers, a team in MLB, has league peers such as the Yankees, Dodgers, and Rangers in other cities. In addition, they also have local peers in Detroit affiliated with different leagues (e.g., the Lions (NFL), Red Wings (NHL), and Pistons (NBA)). Unlike a national or global corporation that has consumers in

markets across the country / world, sport teams generally are closely tied to a certain city or a specific region (Sheth & Babiak, 2010). Similarly, Babiak and Wolfe (2009) emphasized that teams have a social contract with the communities in which they operate. Following this reasoning, sport teams will receive behavioral cues from both their local (community) peers and league peers in determining the appropriate level of philanthropic contributions.

Hypothesis 1a (H1a): The philanthropic contributions of league peers positively influence a sport team's philanthropic contributions.

Hypothesis 1b (H1b): The philanthropic contributions of local peers positively influence a sport team's philanthropic contributions.

The influence of industry and community peers might be moderated by an organization's unique characteristics such as their field positions, organizational structure, ownership, governance, and identity (Greenwood et al., 2011). I argue that the extent to which a sport team's CP is influenced by their league and/or local peers depends on its organizational size and organizational performance. A number of studies have suggested that large organizations have a greater ability to deviate from prevailing cultural expectations because organizational size provides them with protection and insulation from institutional pressures (Greenwood & Suddaby, 2006; Kostova, Roth, & Dacin, 2008). In other words, the smaller the organization, the less discretion they may have in responding to institutional forces (Greenwood et al., 2011).

Moreover, mimicking another team's philanthropy might be a viable, strategic, and lower expense solution for small organizations seeking legitimacy in an ambiguous environment (DiMaggio & Powell, 1983). Even within the same industry sector, the decisions concerning the appropriate level of their philanthropic contributions are vague and may vary from firm to firm because it is often at management's discretion (Buchholtz, Amason, & Rutherford, 1999). Given

the discretionary nature of philanthropy, professional sport teams with relatively few organizational resources, capabilities, or expertise (e.g., contribution officers) in CP would be more likely to look to their peers and simply follow what they do. Thus, I argue that small professional sport teams (i.e., team below the average team/ foundation size) will be more responsive to institutional cues from their multiple peers regarding their levels of philanthropic giving. Thus, I propose that peers' influence will be moderated by both team foundation size and team size.

Hypothesis 2a (H2a): The smaller the team foundation size, the greater the influence of league / local peers on a team's philanthropic contributions.

Hypothesis 2b (H2b): The smaller the team size, the greater the influence of league / local peers on a team's philanthropic contributions.

Prior research has shown that organizational performance, such as financial performance (e.g., return on assets), is associated with a corporation's peer imitative behavior. For example, Leary and Roberts (2014) found that smaller, less successful, and financially constrained corporations were more likely to imitate the organizational practices of their peers because such firms may be more motivated to mimic high performing companies in their field so that they can strengthen their reputation and legitimacy (Galaskiewicz & Wasserman, 1989; Greve, 1998). In contrast, high performing companies are less likely to look at their peers because they face fewer uncertainties in organizational success than underperforming organizations.

Furthermore, one unique aspect of professional sport is that a team's organizational performance is not only evaluated by financial performance but also by team sporting performance (Fort & Quirk, 2004). That is, success in competition is likely a primary organizational goal. Success metrics for professional sport teams – such as winning percentage –

can help to increase game attendance and team-related consumption (Pinnuck & Potter, 2006). Taken together, it may be the case that professional sport teams with lower organizational performance (i.e., team below the average of financial performance and sporting performance) will be more likely to be influenced by their league and local peers in determining their philanthropy.

Hypothesis 3 (H3): The lower the team financial performance, the greater the influence of league / local peers on a team's philanthropic contributions.

Hypothesis 4 (H4): The lower the team sporting performance, the greater the influence of league / local peers on a team's philanthropic contributions.

Institutional Equivalence in Professional Sport

Some scholars have found that organizations respond differently to the influences of being in multiple institutional fields. For example, organizations operating in such conditions may ignore one or more peers (Oliver, 1991), compromise in response to inconsistent influences from different peers (Rowan, 1982), or independently respond to each peer group (Davis & Greve, 1997). As a means of resolution, Marquis and Tilcsik (2016) proposed that institutional equivalents likely serve as the primary reference group for an organization in multiple institutional fields. Institutional equivalents are defined as "other organizations that exist at the same intersection (e.g., other firms embedded in both the same industry and the same geographic community)" (Marquis & Tilcsik, 2016, p. 1325). As institutional equivalents, they are thus both industry peers and community peers. Marquis and Tilcsik argued that depending on the existence or lack of institutional equivalents, organizations embedded in multiple fields might experience different isomorphic influences. It is these distinct institutional environments that shape different organizational behaviors.

Professional sport teams face a parallel analogy. As Figure 2.2 shows, for example, the league peers of the Chicago Cubs would be the other 28 teams in MLB, and the local peers would be other Chicago-based sport teams, such as the Bulls (NBA), Bears (NFL), and Blackhawks (NHL). Lastly, an institutional equivalent of the Cubs would be the White Sox (MLB), a local rival team.

Marquis and Tilcsik (2016) explored how Fortune 1000 firms responded to behavioral cues around CP from different peers when they are embedded in multiple institutional fields (industry and community) and found that companies were more influenced by institutional equivalents. Similarly, other studies have shown that social actors are more likely to be influenced by and interact with others with similar characteristics (Block & Grund, 2014). Following this line of reasoning, I posit that the philanthropic giving of a sport team's institutional equivalents will more significantly influence their philanthropic contributions than the contributions of its other league or local peers.

Hypothesis 5 (H5): The philanthropic contributions of institutional equivalents have a greater effect on a sport team's philanthropic contributions than that of its league or local peers.

Moreover, the strength of an institutional equivalent's influence may depend on the inconsistent corporate giving by a different peer group. For instance, how do sport teams respond when league and local peers show varied amounts of philanthropic contributions? In such situations, sport teams receive contradictory institutional cues and face increased uncertainty, which influences the extent to which organizations in a field might be more likely to imitate one another (Haunschild & Miner, 1997). For example, previous research showed that while philanthropic generosity is highly legitimate in some cities (Galaskiewicz, 1985; 1997), other

communities or geographic regions may experience significantly lower levels of corporate giving (Marquis et al., 2007). Because most sport teams in the same league are based in different geographic communities across the country, they might face inconsistent institutional cues from their local peers and league peers with regard to the appropriate level of philanthropic giving. Rao, Greve, and Davis (2001) noted that organizations "…rely heavily on their most salient and legitimate reference group when greater uncertainty exists" (p. 510). Because institutional equivalents are the clearest and most influential reference group, sport teams may be more heavily influenced by their institutional equivalent when uncertainty arises as a result of inconsistent cues in the sport league and the community. Therefore, my final hypothesis is that the greater the difference between the philanthropic contribution of league peers and local peers, the greater the influence institutional equivalents will have on a sport team.

Hypothesis 6 (H6): The influence of institutional equivalents on a sport team's philanthropic contributions is stronger when there is a greater difference between the philanthropic contributions of league peers and local peers.

Methods

Data and Sample

The primary data source for this study were Internal Revenue Service (IRS) Form 990s for each U.S.-based professional sport team foundation. IRS Form 990s are annual tax forms filed by nonprofit organizations which contain financial information on annual revenues, expenditures and contributions, and assets. The reports were gathered from Candid (formerly Guide Star), an online platform that houses financial and other information (e.g., mission, governance, years of activity and ratings) on all U.S. nonprofit organizations. Other team-related data were extracted from Forbes Magazine's annual financial reports of U.S. professional sport

teams and Rodney Fort's Sport Business Database. Community data (e.g., identification of team-located metropolitan statistical area (MSA) and local income) were gathered from the U.S. Census Bureau. Using these data, I constructed a sample of professional sport teams with charitable foundations in four major professional leagues (i.e., the MLB, NBA, NFL, and NHL) between 2005 and 2017. I selected this time range because 2005 appeared to be a year by which the majority of professional sport team had established their foundations (Babiak & Wolfe, 2009), and 2017 was the latest year which most Form 990s of teams were available on Candid.

In this data set, all 9 Canadian based teams were excluded from the study population as they operated under different tax regulations and laws regarding charitable contributions (Robinson, 2005). Teams that did not have an associated charitable foundation (12), or that utilized the team owner's foundation or other nonprofits (e.g., community foundation, entertainment group foundation, and private family foundation) (5) as their charitable avenue were excluded. In addition, teams without local peers (data) were omitted (13). I also treated team relocations during my search timeframe (e.g., Seattle Supersonics and Oklahoma City Thunder, Los Angeles Rams and Saint Louis Rams, and Los Angeles Chargers and San Diego Chargers) as two distinct franchises given the differences of their local peers and market characteristics.

Given a number of missing observations and eliminations from the full list of professional teams across the four leagues noted above, the complete sample consisted of 733 team-year observations for 79 teams. This sample represents 24 MLB teams, 16 NBA teams, 23 NFL teams, and 16 NHL teams. The missing observations were caused as some team foundations were formalized after 2005 so may not have had data in the early years of the data collection period. Some team foundations may not have filed a 990 tax form in a particular year because

they were exempt according to IRS rules (i.e., had annual revenues less than $50 000). In addition, data are occasionally unavailable for some of my control variables for some teams (e.g., local corporate giving, home game attendance). Furthermore, there was a reduction of sample size as I used a lead dependent variable to examine how league and local peers' philanthropic giving in the current year (t) affects a team's philanthropic contribution in the following year (t+1).

Measures

Dependent Variable. For each year, the dependent variable, *team philanthropic contribution (TPC)*, was recorded. This variable measured the sum of the total amount of grants and program service expenses from each sport team's foundation reported in the IRS Form 990. Although Maquis and Tilsick (2016) only measured total grants (what they termed philanthropic contributions in their study) as their dependent variable, I included the program service expenses to capture the multi-dimensional nature of philanthropic contribution efforts made by professional sport team foundations. That is, on a basic level, team foundations make philanthropic contributions through grant / cash or in-kind donations to numerous charities (Inoue, Kent, & Lee, 2011). However, they also often engage in a more strategic approach to CP by broadening the spectrum of social causes addressed and implementing various community outreach programs (called 'program service expenses' on 990 forms). For example, the Giants Community Fund, the San Francisco Giants' (MLB) team foundation, which supports underserved youth and their families to live healthy productive lives using baseball as a platform, made a total philanthropic contribution of $2,673,470 in 2017. The amount of grants distributed that year was $450,936. Form 990s often show expenses in both categories indicating that a foundation may operate proprietary programs (in-house or via partnerships) as well as making

direct contributions via grants. Given that both the amount of grants and program service expenses would be an important indicator of teams' philanthropic contributions, I used the sum of these measurements as the dependent variable in my model.

These team foundations, as non-profit entities, are required by law to provide a financial report regarding their annual activities including the revenues (funds raised through events, grants received or other donations) as well as their expenses (grants distributed, program service expenses, as well as administrative costs) to the IRS through the filing of Form 990 (Internal Revenue Service, n.d.). The dependent variable was log-transformed to correct skewed values.

Independent variables. *League peers* (i.e., industry peers) were defined as sport teams in the same professional sport league. Marquis and Tilscik (2016) defined industry peers as companies using the same Standard Industrial Classification (SIC) code. Although all professional sport teams would be classified as 'professional sports clubs and promoters' following the SIC code, I regarded each sport league as a different and unrelated business because each sport league provides different goods (i.e., sports) which cannot be replaced with another (i.e., non-substitutable good). *Local peers* were defined as sport teams located in the same metropolitan statistical area (MSA) provided by the U.S. Census Bureau. An MSA is a "geographic entity associated with at least one at least one urbanized area that has a population of at least 50,000, which comprises the core county plus adjacent counties that has a high degree of social and economic integration with the core as measured through commuting" (U.S. Department of Commerce, 2010, p. A-15). In my sample, a total of 36 MSAs across the U.S. were identified. Thus, based on the aforementioned definition of 'peer groups', a sport team's *institutional equivalents* were defined as its local peers that are also simultaneously its league peers (i.e. team(s) in the same league and same MSA). Based on data from IRS Form 990, the

average *TPC of league peers*, the average *TPC of local peers*, and the average *TPC of institutional equivalents* in a given year were calculated and log-transformed.

I measured *team foundation size* as total revenue of a team's foundation based on data from the IRS Form 990; similarly, a team's annual revenues were used to measure *team size* (Inoue et al., 2011). A team's financial performance was measured as *team operating efficiency*, defined as the operating margins of the teams which are computed as the proportion of operating income over total annual revenue (e.g., revenues from gate receipts, local and national media, sponsorship, concessions, merchandise, etc.) (Inoue et al., 2011). I measured *winning percentage* (i.e., the percentage of regular-season games played by each team that were won) as team sporting performance (Foster & Washington, 2009). Finally, to test H6, I created the variable *league–local TPC difference*, which measured the absolute value of the difference between the TPC of league and local peers. This variable reflects the degree of dissimilarity between the league and local peers' level of philanthropic contribution. To ease the interpretation of regression results involving interaction terms, *team foundation size*, *team size*, *team operating efficiency*, *team winning percentage*, and *league-local TPC difference* variables were standardized.

Control variables. First, I controlled for *local corporate giving*, which was measured by the average of philanthropic giving (i.e., the total amount of grant) by Fortune 500 companies (350 companies with corporate foundations between 2005-2017 (2744 observations)) headquartered in the MSA of a professional sport team in a given year and log-transformed. Because such large corporations are essential constituents of local communities (Marquis, Davis, & Glynn, 2013), they would be visible exemplars to many local organizations, including professional sport teams, in terms of philanthropic practice.

I also controlled for the financial performance of team foundations by measuring *team foundation Return on Assets (ROA)*, which is the net income divided by total assets, using data from IRS Form 990 data. This indicator captures the financial sustainability of nonprofits (Bowman, 2011), which may influence the team foundation's philanthropic contributions. *Team age* was operationalized by calculating a team's founding year from the given year and log-transformed. Team *home game attendance* represents the annual total home game attendance of each franchise, which reflects sport fans' actual purchasing behaviors (McDonald & Rascher, 2000). Moreover, *local team density* (defined as the number of sport teams in the same MSA), was added to control for the size of the local peer group. Finally, *local income* was measured by real per capita income at the MSA level, which indicates the economic situation of the community.

Model and Analysis

To test the hypotheses, I developed a regression model for the dependent variable of interest. The general structure of the model is as follows:

$$Team\ Philanthropic\ Contribution(TPC)_{it+1} = \beta_0 + \beta_1 TPC\ of\ league\ peers_{it} + \beta_2 TPC\ of\ local\ peers_{it} + \beta_3 (TPC\ of\ league\ peers \times Team\ foundation\ size)_{it} + \cdots + \beta_n (Controls)_{it} + u_i + e_{it}$$

where i is the individual team, t is the observed year, u is the team effect, and e is the error term for the equation. Similar to Marquis and Tislick's (2016) approach, I used fixed effects models to account for the multiple observations per sport team and to explain all differences not impacted by time between professional sport teams. I performed numerous tests to determine whether a fixed effects model would be appropriate for my analysis. First, the F-test of the fixed effects model rejected the null hypothesis that all fixed effects are jointly 0, which provided

evidence of fixed effects. For testing for random effects, I performed the Breusch-Pagan Largrange Multiplier (LM) test and the results revealed that the random effects model is more efficient than pooled Ordinary Least Squares (OLS) model. Finally, I ran a Hausman test to determine between fixed effects or random effects model. The test rejected the null hypothesis that the unique errors (i.e., fixed effects) are not correlated with the regressors. Therefore, I can conclude that a fixed effects model is preferable in the analysis (Hausman, 1978). A fixed effects approach allowed us to control for all (even unobservable) team characteristics and the environment in which they existed during the period of the study (from league affiliation to enduring team traditions and community culture around philanthropy).

I evaluated multicollinearity by calculating variance inflation factors (VIFs) across the models. The VIFs for each independent variable ranged from 1.39 to 7.31. The range of VIFs are below 10 (Neter, Wasserman, & Kunter, 1985), indicating that multicollinearity is not a threat. As seen in the above specification, the interaction terms were created by multiplying independent and moderator variables and added into the model to uncover the moderating effects of *team foundation size* (H2a), *team size* (H2b), *team operating efficiency* (H3), *team winning percentage* (H4), and *league-local TPC difference* (H6). I examined these interaction effects in separate models because VIF indicated the multicollinearity issues when including multiple interactions in the single model.

Results

Table 2.2 presents the descriptive statistics and correlations for the variables in all models. Descriptive statistics and correlations appear in the table, separately for professional sport teams that do not have institutional equivalents and those that do have one. As revealed from the descriptive statistics from Table 2.2, average team philanthropic contributions were

$1.13 million, while the average contributions of teams with institutional equivalents were $1.35 million. Also, the average level of team foundation size and team size was $1.35 million and $221 million, respectively. On average, teams recorded 10 percent operating margins from their operations. The tests of the hypotheses are presented in Table 2.3. The table shows 7 models, with the first 5 models using the full sample and the last 2 models using only the subsample with institutional equivalents, respectively. Model 1 presents the main effects of the hypothesized variables on the dependent variable (H1a&H1b). Models 2–5 present models with the interaction effect that I hypothesize in H2a, H2b, H3, and H4. Model 6 shows the main effects of when institutional equivalents exist (H5). Model 7 is a model with the interaction effects that I hypothesize in H6.

I predicted that the philanthropic contributions of league peers (H1a) and local peers (H1b) would positively influence teams' philanthropic contributions. Model 1 only supported H1a. Although a team's philanthropic contribution was positively related to the philanthropic giving of league peers, there was no significant relationship between a team's philanthropic giving and that of local peers. In the models, the dependent and independent variables are in logarithmic form, which estimates the elasticities (i.e., sensitivity) of the dependent variable with respect to the independent variables. Specifically, Model 1 estimated that a 1% increase in league peers' giving was associated with an approximately 0.53 % subsequent increase in a team's philanthropic giving.

I tested the series of interaction effects predicted in my hypotheses. Models 2–5 present these results. Since the influence of local peers' giving was not significant throughout all 4 models, here, I focused on the contingent effect of league peers. Model 2 partially supported H2a and indicated that the smaller the team foundation size, the stronger the effect of league peers on

a team's philanthropic contributions. Since I am interested in how the effect of league peers is dependent on team foundation size, I looked at the coefficient of the interaction terms. Moreover, the standardization of moderators allows us to examine the effect of league peers at a different level (±1 SD) of team foundation size through the simple slope analysis (Cunningham & Ahn, 2019). Specifically, when team foundation size is one standard deviation below the mean (i.e., the team have a relatively small foundation), the effect of league peers was stronger; a 1 percent increase in league peers' giving was associated with a 0.63 percent (i.e., 0.30 – (–0.33) = 0.63) increase in team giving. This result suggests that teams with small charitable foundations are more attentive to league peers' giving when they determine the level of their philanthropic contributions. However, I did not find support for H2b, H3, and H4 which predicted that the influence of league peer giving on a team philanthropic contribution would be stronger for smaller teams (H2b), for teams with lower financial performance (H3), and for teams with lower sporting performance (H4).

The last two models in Table 2.3 focused on teams with institutional equivalents. H5 predicted that philanthropic contributions of institutional equivalents will have a greater effect on a sport team's philanthropic giving than that of its league or local peers. To compare the relative strength of the effect of league peers, local peers, and institutional equivalents, the magnitude of their beta coefficients (i.e., standardized coefficients) was computed (Wooldridge, 2012). However, Model 6 did not provide any evidence of the effect of institutional equivalents, and thus H5 was rejected. Meanwhile, positive influences of both league and local peers' giving on team philanthropic giving were found in Model 6.

Finally, Model 7 tests H6 predicting that the influence of institutional equivalents on a team philanthropic contribution would be stronger when there is greater dissimilarity in the level

of league and local peers' giving. To this end, I included the interaction between *TPC of institutional equivalents* and *league-local TPC differences* (i.e., the absolute value of the difference between league and local peer's giving) in the model. However, I did not find significant interaction effects in Model 7, and thus H6 was not supported.

I also conducted an analysis for robustness checks to provide additional support for the hypotheses. To this end, I used random effects model to test the influence of league and local peers on a team's philanthropic contributions. In this model, a series of professional sport league indicators (i.e., MLB, NFL, NHL) was included instead of the average TPC of league peers. In addition, year effect was also included. Similar to the results I presented above, the random effects model showed the significant effect of the leagues, while the effect of local peer was not found.

Discussion and Conclusions

Given that professional sport teams are embedded in multiple institutional fields (league and community), this study investigated how the presence of multiple peers affects teams' philanthropic giving. To this end, the study analyzed lagged time-series data of professional sport team foundations' philanthropic contributions using a fixed-effect model with a set of control variables. The study replicated Marquis and Tilcsik (2016) investigation of Fortune 1000 companies by applying a similar approach to the professional sport context; however, my results differed from theirs. Using a sample of Fortune 1000 corporations, Marquis and Tilcsik found both the positive influence of industry and local peers on firms' philanthropic contributions. They also found that philanthropic contributions of institutional equivalents have a greater influence on a firm's giving than that of its industry or local peers.

My results on the other hand, suggested that sport teams were more likely to be affected

by the philanthropic giving levels of their league peers than their local peers. Furthermore, this study did not find a significant influence of institutional equivalents on teams' philanthropic giving behaviors. Although the positive relationships between a team's philanthropic contributions and both league and local peers' giving were hypothesized, the results partially supported the hypothesis as only the influence of league peers was found. This result suggests that professional sport teams primarily pay attention to their league peer groups in determining the level of their CP. Namely, it shows that for the sport teams examined, either deliberately or unconsciously, the trend of philanthropic giving in their league appears to be similar. This may be so that they can meet the expectations and standards of the industry (field) and gain legitimacy to operate in the field. These results are supported by previous research suggesting that industry peers are a core reference group when firms engage in strategic planning around the appropriate level of charitable activities (Bertels & Peloza, 2008; Raffaelli & Glynn, 2014).

Even though I did not find a significant effect of local peers on teams' philanthropic contributions, the geographic community, as an institutional environment, is an especially important influence on socially responsible behavior of corporations because these practices are more commonly oriented toward the community in which a corporation is located (Marquis et al., 2007). Alternatively, it would be plausible that local peers might influence sport teams in terms of the nature of CP, such as the focus and form of philanthropic practice (e.g., the cause focus, fundraising efforts, governance structures of team foundations, partnerships, and / or programming activities), rather than the quantified level of contributions of their CP.

In addition, I tested a series of hypotheses to examine the effect of organizational characteristics on how teams are attentive to their league and local peers. I found that the smaller the team foundation size, the greater the influence of league peers on a team's philanthropic

contributions. This finding shows that team foundation size is closely related to the extent that the team attends to philanthropic giving of their league peers. In contrast to small team foundations, large team foundations, as they may have sufficient organizational resources, are more likely to determine their philanthropic practices at their own discretion.

Although I hypothesized that financial performance (i.e., team operating efficiency) would lead teams to be less likely to benchmark their league peers' philanthropic giving, the results did not support the hypothesis. This finding contradicts previous research that under-performing organizations have more of a tendency to model themselves on other organizations which they regard to be more successful (Galaskiewicz & Wasserman, 1989). This study also tested the moderating effect of sporting performance on how closely teams follow their local or league peers. However, the finding was not significant. Overall, these results suggest that how teams perform financially or on the field in their leagues did not filter the effect of peers when determining appropriate levels of philanthropic contribution.

While this study incorporated the concept of institutional equivalence, the findings did not provide significant evidence of institutional equivalents' effect on team philanthropic giving. The results suggested that even though institutional equivalents might be an obvious and clear reference group for professional sport teams, they pay more attention to their league counterparts (not necessarily those counterparts in their own community) in terms of determining their philanthropic contributions. Although this finding is inconsistent with the findings of Marquis and Tilscik's (2016) research, my results are still worthy of exploration and consideration. These inconsistencies might be attributed to nontraditional competitive models in professional sport. The presence of institutional equivalents in traditional industries, for example, commercial banking or the automotive sector, powerfully influence a firm not only because an institutional

equivalent is a crucial reference peer group, but they are also immediate competitors for market share. In contrast, professional sport teams might see their institutional equivalents differently due to the unique features of sport consumption. For example, although the New York Yankees and New York Mets are institutional equivalents to each other, their consumer bases are independent. That is, the Mets fans are less likely to purchase the goods or services of the Yankees because they have unstinting loyalty and strong attachment to their favorite team (Stewart & Smith, 1999). Given this unique competitive model in professional sport, it is plausible that professional sport teams would be less motivated to pay extra attention to their institutional equivalents compared to firms in other industries.

The insignificant effect of institutional equivalents' giving might be explained alternatively from the environment in which institutional equivalents exist in professional sport. In the study, most sport teams with institutional equivalents are embedded in large cities and urban areas where numerous professional sport teams are located, such as New York, Chicago, and Los Angeles. Given that the teams in such communities have a relatively large number of local peers, they might seek behavioral cues from these peers rather than focus solely on their institutional equivalents. Indeed, using the subsample of teams with institutional equivalents, both league and local peers' giving had a positive effect on the team's philanthropic contributions. Furthermore, there were a small number of observations (N=150) to test the effect of institutional equivalents due to a limited number of institutional equivalent cases in the sport industry as well as some missing values in the data.

Overall, this study has advanced the literature by unpacking the effect of simultaneous institutional pressures shaping the philanthropic behavior of professional sport teams. Moreover, I adopted the concept of institutional equivalence investigating whether sport teams are

especially attuned to their most relevant peer groups in the context of CP. Furthermore, my findings identified how organizational characteristics filter the influence of league and local peers. The study also contributes to the literature by conducting a longitudinal analysis of multiple year team philanthropic data and the inclusion of various control variables. The framework of multiple field embeddedness can be expanded by including a more relevant set of field actors that might impact sport teams, such as for-profits, nonprofits, media, or local authorities, to provide a deeper understanding of how institutional terrains shape CP in professional sport. Thus, this study established the basis of future studies to examine further organizational behaviors of sport teams in the context of multiple field embeddedness.

From a managerial perspective, this study also may provide insights into shaping CP strategy and practice. My findings may offer cues to CP managers on who in their environments to pay attention to how or how much to invest into their CP efforts. Looking to either local or league peers, foundation leaders might be able to leverage the use of team CP as a competitive tool and maximize the benefits (i.e., strategic differentiation or strengthening stakeholder relationships) of engaging in CP. Team CP leaders may also seek to distinguish how their peers are engaging in CP in order to identify gaps and needs in the fields (league or community) in which they operate. Furthermore, understanding CP strategies of stakeholders in the institutional environment may be valuable as leagues and teams expand elements of their businesses globally. CP managers may need to consider and understand the conditions and pressures in new business contexts and potentially broaden their group of potential referents.

Limitations and Future Research

As with any study, there are several limitations to the current research. First, since this study collected team foundation data from publicly available sources, limited team-year

observations were used for the analysis, which might create a bias in the results. Given that Marquis and Tilscik (2016) used over 6000 observations to test the effect of institutional peers, it would be desirable if future research can gather more team-year observations and strongly balanced panel data for more rigorous analysis. Second, the study explicitly used philanthropic giving data (i.e., the sum of annual grants and program service expenses) as the measurement of a team's philanthropic contribution. However, it is possible that this quantified measurement may not solely capture the full philanthropic contributions of a team. For example, some philanthropic practices of professional sport teams might be more impactful than others in terms of outcome and output of the program/ grants given. Additionally, teams may also invest funds to charity and philanthropy not through their foundations – but through different channels such as community relations programs and initiatives. Therefore, future research may identify measurements to fully reflect the philanthropic contributions of the teams.

Third, although this study highlighted how multiple peers influence sport team philanthropic giving, the use of financial data might only show one aspect of CP. Future studies might take into account the various aspects of CP, such as the mission and goal of philanthropy, the focus area of giving, and / or collaboration with other entities. Fourth, although I conceived not only an industry field but also the community as essential organizational fields and highlighted how multiple field embeddedness affects sport teams, the nuanced dynamics and interactions between teams and their institutional peers need to be explored. For example, the study demonstrated the effect of institutional peers on a teams' philanthropic contributions; however, the process of how teams influence each other is unknown. Thus, future studies might consider examining the channel or medium of these peer influences. To this end, future research should consider conducting qualitative studies to provide a comprehensive understanding of

multiple institutional influences around CP in professional sport. In addition, I encourage future research to examine how different organizational characteristics affect the league and community peer effect. Lastly, although this study focused on the effect of industry and community peers, there are numerous pressures and forces impacting what and how a team engages with CP – and more broadly social impact. Future research might be directed toward the influence of various stakeholders at the different field levels, such as team owners and league executives, local government, local nonprofit organizations, and fan communities.

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Table 2.1

Variation of NFL Team Foundation Giving in 2017

Team	Total Giving	Team	Total Giving
San Francisco 49ers	$9,973,051	Buffalo Bills	$1,090,547
New England Patriots	$5,936,406	Cleveland Browns	$1,082,212
Jacksonville Jaguars	$5,057,078	Tampa Bay Buccaneers	$835,365
Dallas Cowboys	$4,978,788	Tennessee Titans	$696,685
Washington Redskins	$2,901,879	Baltimore Ravens	$569,656
Chicago Bears	$2,294,016	Denver Broncos	$502,690
Arizona Cardinals	$2,173,889	Los Angeles Rams	$454,064
Detroit Lions	$2,136,346	New York Giants	$299,779
Green Bay Packers	$1,826,233	Seattle Seahawks	$266,821
New York Jets	$1,821,693	Los Angeles Chargers	$263,406
Indianapolis Colts	$1,700,282	Oakland Raiders	$187,523
Houston Texans	$1,689,864	Minnesota Vikings	$98,235

Source. NFL Team Foundations' IRS Form 990 Report

Table 2.2

Descriptive Statistics and Correlations

A. All Teams (n = 733)

Variables	*M*	*SD*	1	2	3	4	5	6	7	8	9	10	11	12
1. TPC	1.13	1.23												
2. TPC of league peers	1.07	.47	.41											
3. TPC of local peers	1.08	.90	.22	.00										
4. Local corporate giving	10.8	7.89	.16	.04	.23									
5. Team foundation size	1.35	1.44	.72	.39	.19	.21								
6. Team foundation ROA	-.02	1.29	.01	.02	-.02	-.04	.11							
7. Team size	221	108	.41	.57	.02	.13	.43	.02						
8. Team operating efficiency	.10	.13	.24	.24	.11	.07	.19	.06	.55					
9. Team age	50.0	31.9	.35	.27	.02	.25	.30	-.00	.35	.21				
10. Home game attendance	1.25	.99	.28	.53	-.15	-.00	.35	.03	.21	-.08	.29			
11. Team winning percentage	.51	.14	.15	-.03	.13	.12	.13	.01	.03	.06	.04	.03		
12. Local team density	4.18	1.88	.11	-.01	.21	.23	.08	-.07	.09	-.13	.20	.15	.02	
13. Local income	31.6	5.51	.23	.29	.28	.36	.31	.00	.34	.22	.14	.03	.08	.18

B. Teams with Institutional Equivalents (n = 150)

Variables	*M*	*SD*	1	2	3	4	5	6	7	8	9	10	11	12	13
1. TPC	1.35	1.40													
2. TPC of league peers	1.16	.50	.56												
3. TPC of local peers	1.15	.67	.14	.18											
4. TPC of institutional equivalent	1.32	1.37	.32	.59	.18										
5. Local corporate giving	12.8	9.42	.25	.43	.24	.30									
6. Team foundation size	1.60	1.77	.73	.47	.09	.26	.26								
7. Team foundation ROA	-.23	2.49	-.11	-.19	-.09	-.05	.02	.10							
8. Team size	237	119	.43	.56	.18	.37	.41	.47	-.22						
9. Team operating efficiency	.07	.13	-.18	-.08	.16	-.00	.04	-.11	.05	.25					
10. Team age	60.5	33.1	.30	.49	.15	.34	.45	.32	-.08	.61	.18				
11. Home game attendance	1.74	1.28	.47	.46	-.35	.38	.10	.52	-.06	.45	-.26	.47			
12. Team winning percentage	.51	.11	.11	-.11	-.25	-.16	-.12	.06	-.01	-.08	-.29	-.07	.04		
13. Local team density	7.10	1.75	-.03	-.05	.09	.04	.48	-.02	-.04	.27	-.13	.03	-.15	.06	
14. Local income	32.9	5.08	.25	.52	.33	.30	.75	.30	-.03	.42	.14	.17	.02	-.12	.19

Notes. This table reports means and standard deviations using untransformed values: TPCs, local corporate giving, team foundation, and team size in millions of dollars; team age in years, home game attendance in millions; and local income in thousands of dollars. ROA=return on assets; TPC=team philanthropic contribution

Table 2.3

Influence of League Peers, Local Peers, and Institutional Equivalents on Team Philanthropic Contributions (t+1)

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
(ln) TPC of league peers	0.53***	0.30*	0.45**	0.47***	0.53***	0.71*	0.78*
	(0.11)	(0.13)	(0.15)	(0.12)	(0.11)	(0.35)	(0.37)
(ln) TPC of local peers	0.01	0.02	0.02	0.01	0.01	0.20^{+}	0.18
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.11)	(0.11)
TPC of league peers		-0.33***					
× Team foundation size		(0.09)					
TPC of local peers		0.02					
× Team foundation size		(0.04)					
TPC of league peers			-0.03				
× Team size			(0.08)				
TPC of local peers			-0.06				
× Team size			(0.04)				
TPC of league peers				-0.08			
× Team operating efficiency				(0.06)			
TPC of local peers				0.03			
× Team operating efficiency				(0.03)			
TPC of league peers					-0.03		
× Team winning percentage					(0.06)		
TPC of local peers					-0.02		
× Team winning percentage					(0.03)		
(ln) TPC of institutional equivalent						-0.05	-0.10
						(0.08)	(0.10)
TPC of institutional equivalent							-0.10
× League-local TPC difference							(0.11)
Local corporate giving	-0.02	-0.00	-0.01	-0.02	-0.02	0.19	0.19
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.17)	(0.17)
Team foundation size	0.34***	0.42***	0.34***	0.34***	0.34***	0.46***	0.45***
	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)	(0.08)	(0.08)
Team foundation ROA	-0.02	-0.03	-0.02	-0.02	-0.02	-0.08	-0.09
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.15)	(0.15)
Team size	-0.07	0.02	-0.02	-0.03	-0.07	-0.09	-0.10
	(0.07)	(0.07)	(0.09)	(0.07)	(0.07)	(0.13)	(0.14)
Team operating efficiency	0.01	-0.01	0.00	-0.01	0.00	0.06	0.06
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.08)	(0.08)
(ln) Team age	0.04	-0.01	0.02	0.02	0.05	3.06**	3.05**
	(0.17)	(0.17)	(0.17)	(0.17)	(0.17)	(1.03)	(1.05)
Team winning percentage	0.02	0.02	0.02	0.03	0.02	0.10^{+}	0.11^{+}
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.06)	(0.06)
Home game attendance	0.00	-0.00	-0.00	-0.00	0.00	-0.00	-0.00

(Continued Table 2.3)

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Local team density	0.20	0.21	0.21	0.20	0.20	0.16	0.17
	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.24)	(0.24)
Local income	0.00	0.00^{+}	0.00^{+}	0.00	0.00^{+}	-0.00*	-0.00*
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
League-local TPC difference							-0.03
							(0.09)
Constant	4.47**	11.74***	11.88***	11.99***	11.85***	-11.35*	-12.48*
	(1.48)	(1.20)	(1.22)	(1.22)	(1.22)	(4.72)	(5.38)
Observations	733	733	733	733	733	150	150
Number of teams	79	79	79	79	79	16	16

Note. Standard errors in parentheses. ROA=return on assets; TPC=team philanthropic contribution
$^{+}$p<0.1, * p<0.05, ** p<0.01, ***p<0.001.

Figure 2.1

League Peers and Local Peers of Detroit Tigers

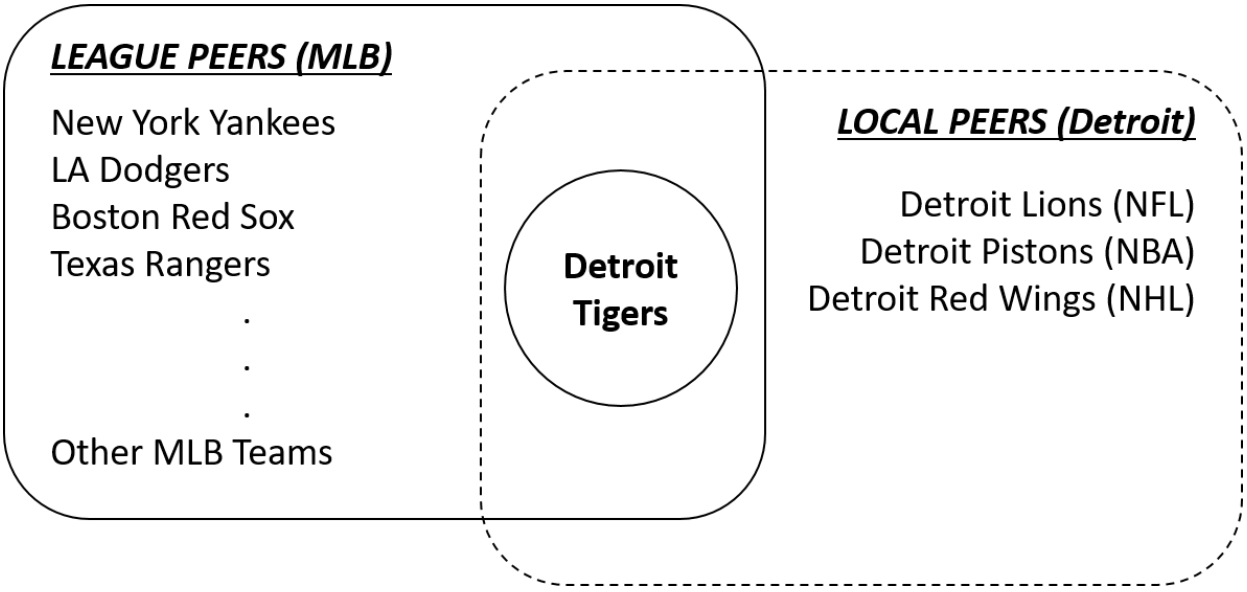
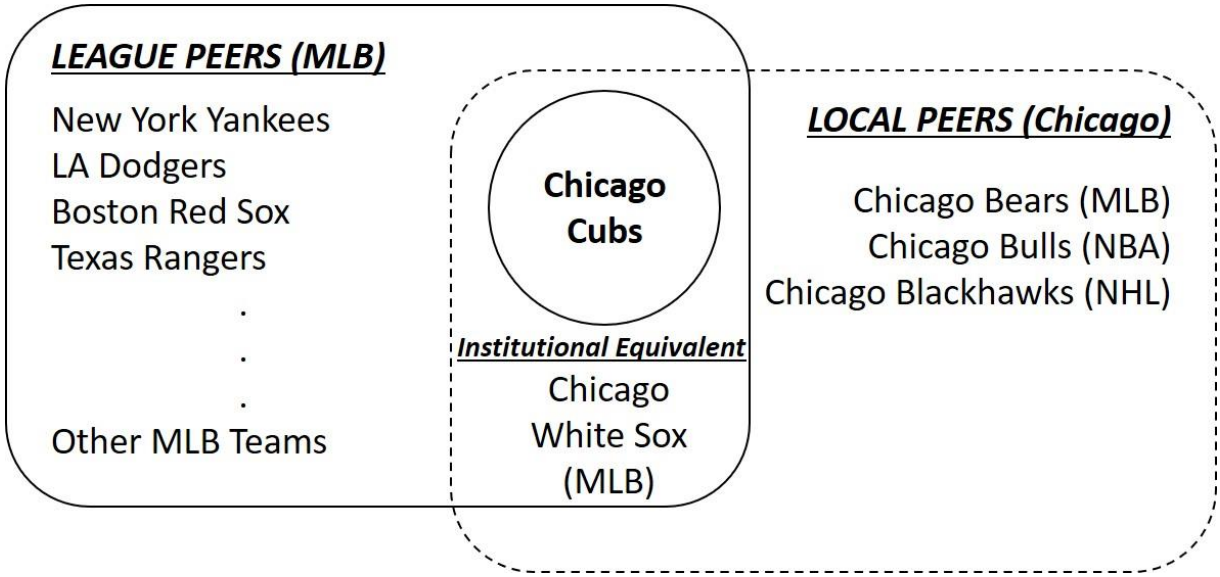


Figure 2.2

League Peers, Local Peers, and Institutional Equivalent of Chicago Cubs



CHAPTER III

Exploring the Effect of Community Institutional Forces on Corporate Philanthropy in Professional Sport

Corporate philanthropy (CP) in the United States has long been a socially responsible behavior of firms. Specifically, it is defined as the voluntary act of business to promote a community's welfare, generally through money, in-kind goods, or time (Madden, Scaife, & Crissman, 2006). CP has increasingly gained legitimacy around the world as an acceptable and justifiable corporate activity with organizational stakeholders, including those with direct and indirect relationships with firms, such as partners, consumers, shareholders, employees, and suppliers (Gautier & Pache, 2015; Margolis & Walsh, 2003; Porter & Kramer, 2002).

Professional sport teams also have a long history of philanthropic involvement in their communities. These actions help in delivering public relations benefits, foster loyalty and connections with fans, as well as making positive social impacts in the communities in which teams are based (Babiak & Wolfe, 2009). CP, as a medium of corporate social responsibility (CSR), has also received more attention in sport scholarship coinciding with the increased number of team-affiliated charitable foundations and growing interest in the practice (Inoue, Kent, & Lee, 2011; Kolyperas, Anagnostopoulos, Chadwick, & Sparks, 2016; Sparvero & Kent, 2014).

Given the growing importance of CP in business, understanding what influences firms to make philanthropic contributions has been a central area of inquiry of the CP literature. While

prior research has attempted to frame CP as part of the profit-maximization equation for for-profit organizations (Bhattacharya & Sen, 2003; Brammer & Millington, 2005; Seifert, Morris, & Bartkus, 2004; Zhao & Zhang, 2020), these empirical studies have yielded non-conclusive results (e.g., positive, negative, or non-significant relationships) on the link between CP and financial returns. These mixed results imply that CP may not be solely driven by profit-oriented / economic mechanisms and leaves room for contentious debate about the determinants of CP.

Institutional theory focuses on how institutions shape an organization's actions and drive conformity to standards, rules, and norms in a given institutional environment (DiMaggio & Powell, 1983). As corporations are embedded in a broad landscape of economic, political, and cultural institutions that influence their organizational actions (Fligstein, 1990), institutional scholars have viewed CP to be driven by institutional pressures from the various constituencies in an environment in which corporations operate. Numerous studies have looked at how institutional field conditions might influence CSR and CP, such as a firm's discrete industry and structure, national business systems (e.g., liberal / coordinated market economies), or geographic / cultural location (Ali & Frynas, 2018; Brammer, Jackson, & Matten, 2012; Campbell, 2007; Marano, & Kostova, 2016; Matten & Moon, 2008). Although these studies focus on the inter-industry differences in CSR and corporate giving strategies, less understood are the effects of multi-dimensional institutional environments in which firms operate.

Organizations are frequently embedded in more than one institutional environment and thus may confront multiple institutional forces from different fields (Marquis & Tilcsik, 2016). For example, geographic community (e.g., cities / states / regions), as an organizational field, is a significant institutional environment, and scholars have found that embeddedness in local communities has a powerful influence on organizational behavior through various institutional

features such as public policy, history, tradition, and local relational systems (Freeman & Audia, 2006; Marquis & Battilana, 2009; Marquis Glynn, & Davis, 2007; Owen-Smith & Powell, 2008).

Although CP is now widespread across various industrial fields, firms – even in the same field – can vary in the scope and levels of engagement of their philanthropic practices. Notably, previous research has shown that professional sport teams vary in their level of generosity and involvement in CP (e.g., the amount of giving by team foundations) (Inoue & Kent, 2013; Sparvero & Kent, 2014). However, there is still little understanding of why some professional sport teams give more than others. Professional sport teams in the same league (i.e., industry) may share similar organizational structure (e.g., owner and general manager, coach, and players) and business operations (e.g., ticket sales, sponsorships, charitable foundations) as well as encounter similar pressures from the league; at the same time, they are embedded in different geographic communities which may have distinct traditions, policies, political and cultural values, or history. Addressing this gap, I argue that institutional pressures from the geographic community, as an influential and immediate organizational field, may help account for variation of CP in professional sport.

Over the past 20 years, there has been a growing body of literature exploring the strategic values and organizational drivers of CSR practices by professional sport teams (Babiak & Wolfe, 2013; François, Bayle, & Gond, 2019; Trendafilova, Ziakas, & Sparvero, 2017). The scholarship has noted that navigating multiple pressures from various external stakeholders (e.g., customers and fans, league governing bodies, media, corporate partners, local governments, local nonprofits, community members) is a unique element of the professional sport industry with respect to CSR (Babiak & Kihl, 2018; Breitbarth & Harris, 2008; Cobourn & Frawley, 2017). Specifically, the importance of community for professional sport teams has been emphasized,

because unlike large corporations, which may have a national or international customer base, professional sport teams identify with a particular community (e.g., cities or a specific region of the country) in which they have a stronger and more loyal customer base (Sheth & Babiak, 2010). However, previous sport research on the community has largely focused on the association between team identification and community identification of sport fans (Heere & James, 2007), or community as a point of attachment of sport fans themselves (Yoshida, Heere, & Gordon, 2015). Sport management scholars have yet to explore how different institutional pressures stemming from the community field may affect CP in professional sport.

The purpose of this study is to unpack how community institutional forces influence CP of professional sport teams in the United States. I acknowledge that the standards and expectations regarding the appropriate level of CP are inherent in geographic communities, which leads to "significant homogeneity within communities but substantial variation between communities" (Marquis et al., 2007, p.927). This study explores how community institutional forces (i.e., regulative, socio-normative, and cultural-cognitive) affect professional sport teams in terms of their philanthropic giving. To test this idea, I used longitudinal data of philanthropic giving made by team foundations in four professional sport leagues in the U.S. and the institutional environments of their communities between 2005 and 2015.

Walzel, Robertson, and Anagnostopoulos (2018) called for sport scholarship on CSR to be more firmly grounded in existing theory. They also called for the adoption of quantitative methods to better understand the socially responsible behavior of professional sport teams. Through this study, I seek to address these gaps and contribute to the sport management literature by providing a better understanding of institutional factors influencing professional sport teams' CP.

Literature Review and Hypotheses

Institutional Theory and Sport Organizations

Institutional theory postulates that firms are embedded in institutional environments. These environments influence the increasing homogenization of organizational structures and practices to provide firms with legitimacy in the eyes of external stakeholders (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Institutional theorists have tried to unpack how different institutions (i.e., organized sets of schemas, rules, norms, and routines) influence facets of organizational conduct, including corporate actions that go beyond profit-maximization (Jepperson, 1991; Scott, 2004).

Scholarship in sport management has applied and extended institutional theory as a substantive theoretical framework to help explain various organizational phenomena in sport, such as the creation and maintenance of institutions, the impact of institutional pressures on organizational practices, the process of isomorphism, and the strategic responses to institutional change (Heinze & Lu, 2017; Vos, Breesch, Késenne, Van Hoecke, Vanreusel, & Scheerder, 2011; Washington & Ventresca, 2008). For example, Washington and Ventresca (2008) examined how the National Collegiate Athletic Association (NCAA) became the main structure for amateur basketball in the United States. The authors focused on the institutional conflict within the field and highlighted the struggle and domination among different governing organizations attempting to gain power and control. In the European context, Vos et al. (2011) explored the effects of local authorities' institutional pressures on Flemish sport clubs by examining the relationship between the dependency on governmental subsidies and the adoption of subsidy conditions.

This scholarship highlights how researchers have examined various organizational phenomena in sport by applying key tenets of institutional theory, such as isomorphism,

institutional logics, organizational fields, and institutional change. However, sport scholars have been largely focused on the research tradition of institutional theory exploring pressures that lead to homogeneity or conformity in the adoption of organizational practices / structures within a single field. For instance, core research questions have revolved around why and how sport organizations become alike in terms of their governance, strategies, and practices. However, Washington and Patterson (2011) noted that reproducing isomorphism studies in sport would not contribute to overall institutional theory. My research extends the isomorphism hypothesis by shedding light on variation of CP practices in professional sport. Thus by exploring the setting in which professional sport teams are embedded, the study contributes to the literature by understanding variation within the broader institutional context.

Community, CP, and Professional Sport

Organizational studies scholars have focused on linking socially responsible corporate behaviors as a strategic response to institutional environmental pressures (i.e., regulation, consumer demand, social norms or expectations in terms of the role of business in society) (Beddewela, & Fairbrass, 2016; Marquis et al., 2007; Matten & Moon, 2008; Tolmie, Lehnert, & Zhao, 2020). These studies have mainly discussed how institutional factors or institutional conditions shape the social responsibility behaviors of corporations. For example, Jones (1999) examined how institutional structures at various levels – sociocultural, national, industry – promote social responsibility discourses in terms of stakeholder management. Jones suggested that in consumer goods industries, younger industries, and industries with higher degrees of competitive rivalry, there are more progressive attitudes concerning social responsibility and social performance. Campbell (2007) argued that fundamental economic factors, such as financial conditions of firms and the health of the economy, may influence the extent to which

corporations behave in socially responsible ways. Campbell also asserted that a number of institutional factors mediate these relationships, including public and private regulation, the presence of nonprofits that monitor corporate behavior, or associative behavior among corporations.

There has been growing recognition that persistent institutional features at the community level have a strong influence on organizational behaviors through long-standing local contexts, such as legal regulation, relational systems, traditions, and identities (Davis & Greve, 1997; Freeman & Audia, 2006; Galaskiewicz, 1997; Lounsbury, 2007; Marquis, Davis, & Glynn, 2013; Romanelli & Khessina, 2005). Given that industry effects have been found to explain between 20 and 22% of the total variation in firm donations (Amato & Amato, 2007), my focus on community institutional forces may extend the understanding of variation and dynamics in CP in general, and in the professional sport context specifically.

Although geographic boundaries have become less important to organizational processes in the age of globalization and information, recent research has highlighted that geographic community still has an enduring influence that determines appropriate individual and organizational practices by providing a distinct historical, cultural, and normative environment (Lounsbury, 2007; Marquis et al., 2013; Marquis & Battilana, 2009). An underlying premise of institutional theory is that organizational behaviors cannot be understood outside of the cultural and social framework in which organizations are embedded. In conceptualizing the organizational field, institutional theorists have conceived it as a group "…of organizations that partake of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field" (Scott, 1995, p. 56).

The organizational field is not just a collection of influential organizations but also serves

as the center of common means of discourse and discussion around an issue, such as corporate social action (Hoffman, 1999). Marquis and Battilana (2009) more specifically defined community as "…the populations, organizations, and markets located in a geographic territory and sharing, as a result of their common location, elements of local culture, norms, identity, and laws" (p. 286). In particular, the authors addressed the influence of community on organizational behavior through three principal institutional process systems: regulative, normative, and cultural-cognitive by applying Scott's (1995) typology of institutional mechanisms to the community level of analysis.

The idea that a sport team and its community have a strong connection is not new in the academic field of sport management (Heere & James, 2007). The use of city or state names in professional sport team names, such as the New York Yankees, Los Angeles Lakers, F.C. Barcelona, and Manchester United F.C., reflects how sport teams identify with a certain city or, at most, a specific region of a country. Indeed, many professional sport teams have implemented history, traditions, or symbols from their geographical communities, which have helped build their team brand and identity (Underwood, Bond, & Baer, 2001). For example, the F.C. Barcelona reflects the Catalan traditions and culture of Catalonia, and their tagline indicates that they are 'More Than a Club' highlighting their deep-rooted connections to the regional area. Similarly, the Pittsburgh Steelers of the National Football League (NFL) represent the steel industrial reputation and history of their community.

Unlike large corporations that may have a national or international consumer base, historically, sport teams have been regarded as local monopolies and primarily represent the populations of specified geographical regions (Holt, 1989). By exploring institutional pluralism of European commercialized sport clubs, Gammelsæter (2010) highlighted the community as a

source of identity that constitutes institutional logics of club governance. Sport sociologists and historians have widely argued that sport fan communities have been synonymous with geographical communities and suggest that sport fans seek to connect and identify with them (Jacobsen, Gammelsæter & Fløysand, 2009). Such enduring relationships between sport teams and communities enable and reinforce the sense of collective identity and belonging that fans have to their teams (Gammelsæter, 2010; Gillett & Tennent, 2018). Moreover, Hamil and Morrow (2011) argued that a professional sport team's community orientation is critical because their constituents extend beyond direct stakeholders like consumers and fans, to include various local actors like businesses, nonprofit partners, city councils, community agencies, and universities.

Community cultural understanding, local norms, and explicit and implicit rules may function as criteria for legitimizing a corporation's socially responsible practices because "local and immediate institutional environments might be more salient than broader ones" (Marquis et al., 2007, p. 927). Moreover, communities might be more influential from a practical perspective as CP itself is often the vehicle by which embedded firms respond to pressing local needs (Guthrie, Arum, Roksa & Damaske, 2008; Marquis et al., 2007). Using this institutional lens and the aforementioned definition of community, I elaborate and hypothesize on the relationship between community institutional forces and CP in the professional sport context.

Regulative Institutional Forces. Regulative community institutional forces stem from policy and / or legal structures and influences of the community, such as formal regulations implemented by public authorities that force firms to adopt specific managerial practices (Marquis & Battilana, 2009). Local / state governments and other public agencies may affect organizational actions through a range of regulative pressures, including laws and / or local

policies and initiatives designed by various administrative or political bodies. For example, Brief, Butz, and Deitch (2005) found that the difference across local communities in the interpretation of employment law led to different organizational features of the workforce, such as the likelihood of an organization to discriminate based on gender or racial orientation.

Local public policies and regulations may also influence the behavior and activities of professional sport teams (Trendafilova, Babiak, & Heinze, 2013; Heinze, Soderstrom, & Zdroik, 2014). For example, the city of Detroit introduced the Neighborhood Stabilization Program (NSP) in 2009, which aimed to strengthen the city's urban development strategy to reinforce, revitalize, and rebuild targeted neighborhoods. Since the policy was launched, the Detroit Lions, one of the oldest football franchises in the NFL based in downtown Detroit, introduced 'Living for the City,' a community development initiative that supported the local market and local business.

Sport teams are legally mandated to follow various levels of government regulations or run the risk of penalty. Trendafilova et al. (2013) explored the determinants of environmental CSR practices in professional sport and found evidence that local government regulations shape the extent and direction of professional sport teams' environmental CSR. For example, the Washington D.C. city council mandated environmentally friendly features (i.e., LEED [Leadership in Energy and Environmental Design] certification) in the newly constructed ballpark of the Washington Nationals, the Major League Baseball team (MLB) operating in the city, as a condition of the city's financial involvement (Newsweek, 2008). Furthermore, community benefit agreements between local governments and professional sport teams, which are contracts that require teams to deliver economic concessions to communities (e.g., provision of affordable housing, community services, and local employment) in exchange for public

financing of their new stadium project (Garrison, 2018), may also influence the socially oriented organizational actions of a team.

In addition, local regulations based on incentives, including subsidies to industry, tax breaks, infrastructure investment, may also influence organizational behaviors. Related to the salience of local regulative factors and CP, Burt (1983) found a positive relationship between CP and tax rates. Similarly, Guthrie and McQuarrie (2008) documented that corporations were more likely to make large donations when they are headquartered in states with high corporate tax rates.

In the context of professional sport, Sparvero and Chalip (2007) asserted that governments use tax mechanisms (e.g., sales tax, income tax, and property tax) as leverage to gain economic benefits associated with local sport teams. Moreover, professional sport teams are not different from corporations in other industries in their organizational goals to pursue a profit, which are rooted in principles of market, supply, and demand (Smith & Stewart, 2010), and thus, may be responsive to such regulative institutional forces to take advantage of tax relief opportunities. I am not aware of any studies explicitly examining the relationship between tax rates and CP in the professional sport context, so I explore the plausible effect of state income tax rates on a team's philanthropic giving. Thus, I hypothesize the following:

Hypothesis 1 (H1): The higher the state income tax rates, the greater the philanthropic giving of professional sport teams.

Socio-normative Institutional Forces. Socio-normative institutional forces involve normative rules or standards internalized by participants within social relations and guide organizational actions by a sense of what is appropriate (Scott, 2001). Several studies have advanced understanding of how socio-normative forces influence organizational actions at the

community level. Specifically, Marquis and Battilana (2009) noted that local organizational networks and interaction between organizations help to create normative systems within communities. For example, the authors argued that social connections are significant in shaping and diffusing appropriate standards of organizational action. Early research on local relational systems documented that interactions between diverse organizations were fundamental to community functioning in terms of forming and sharing local norms with diverse organizations located within the same community (Turk, 1977).

More recent studies have focused on the effect of social networks on certain organizational practices, such as how local organizational networks contribute to spreading innovative ideas and strategies. For example, Owen-Smith and Powell (2006) examined how distinct patterns of collaboration influence organizational practice in two active biotechnology clusters: the San Francisco Bay Area and the Cambridge-Boston region. The Bay Area network was organizationally and geographically larger and was connected with many biotech firms, major universities, and numerous venture capital firms. From its early origins in the public sector, the Boston network was denser and smaller and was heavily linked to public research institutions (e.g., universities, hospitals, and research centers). Consequently, there was variation in the nature of research and the types of medical products (i.e., commercial vs. orphan drugs) produced by companies across these two regions. These results demonstrated that the different relational assets and corresponding norms within the local cluster affected organizational practice.

Institutional scholarship focusing on the community level has highlighted that specific organizations facilitate local relational systems and thus promote the dissemination of socio-normative pressures (Marquis & Battliana, 2009; Provan, Isett, & Milward, 2004). For example,

Galaskiewicz's studies (1985, 1997) on corporate giving in Minneapolis-St. Paul demonstrated that local networks among corporations headquartered in the same city create and share socio-normative pressures regarding the appropriate level and focus of corporate giving. Galaskiewicz (1985) showed that corporate managers in Minneapolis who are connected to local nonprofit boards affect each other by sharing normative expectations regarding the appropriate levels of corporate giving. The findings imply that firms look at their local peer network for guidance about uncertainty around giving levels. Additionally, it was found that cross-sectoral linkages between nonprofits and firms promote higher levels of corporate social involvement. These studies suggest that more connections facilitate information sharing and increase the likelihood that companies will give (Galaskiewicz, 1997; Marquis et al., 2007).

Local nonprofit organizations are "manifestations of community… reflecting local needs and functioning as a central point for assembling diverse community actors" (Smith & Lipsky, 1993, p. 22). A strong connection between corporations and local nonprofits not only makes it easier for corporations to learn the needs and expectations embedded in their communities but also creates socio-normative pressures for philanthropic giving (Tilcsik & Marquis, 2013). Moreover, given that corporations are more likely to receive funding requests from local nonprofits (Marquis et al., 2013) and the majority of corporate giving is focused on the locations in which a corporation headquartered (Guthrie, 2003), nowadays it has been common that nonprofits develop strategic partnerships or joint programs with businesses (Sanzo, Álvarez, Rey, & García, 2015)

Sport management researchers have pointed out that managing relationships with multiple stakeholders, such as fans, community organizations, various levels of governments, and corporate partners, is one unique facet of sport CSR (Babiak & Wolfe, 2013). In particular,

Sheth and Babiak (2010) argued that professional sport teams regard local nonprofits and community organizations as critical stakeholders because they are often actual recipients of team philanthropic efforts. In other words, they need to pay attention to these stakeholder groups to deliver their socially responsible practices effectively. In this regard, professional sport teams are actively engaging in cross-sector partnerships with nonprofit organizations to support pressing issues in their communities (Heinze et al., 2014; Kihl, Babiak, & Tainsky, 2014). Furthermore, Trendafilova et al. (2017) asserted that the collaboration and interaction between professional sport teams and community organizations are essential to link individual sport teams' CSR programs to a sustainable community development agenda.

Acknowledging nonprofit organizations would play a significant role in creating and diffusing the appropriate level of philanthropic giving within communities through the local organizational network, I predict that a professional sport team located in a community with a larger number of nonprofits will have more significant interaction with local nonprofits and be more attentive to community needs. Thus, I propose that:

Hypothesis 2 (H2): A higher number of nonprofits in the community will increase philanthropic giving of professional sport teams.

Cultural-cognitive Institutional Forces. Whereas socio-normative institutional forces arise from social relations and adherence to the principle of 'what is right to do around here?' (Marquis et al., 2007; Scott, 2010), cultural-cognitive institutional forces can be defined as "pervasive frames of reference and identity that provide templates or models that facilitate the adoption of similar practices for members of a community group" (Marquis & Battilana, 2009, p. 292). Scott (2010) emphasized that cultural-cognitive elements are taken-for-granted values and unconscious beliefs that guide individuals and organizations at a deeper level.

Several studies have demonstrated that enduring shared frames of reference may lead to variation in corporate practices across communities. For example, Marquis (2003) analyzed how frames of corporate governance at the community level affected board of director networks in 51 U.S. cities. They found that newly established companies in a community regard leading local firms as models for appropriate board structure and behavior. Lounsbury (2007) investigated the investment strategies of mutual funds across geographic communities and found that companies in Boston were more conservative and hence preferred long-term investing, while New York-based mutual fund companies adopted aggressive investment strategies. These previous studies suggest that cognitive templates regarding appropriate organizational practices might differ in a given community because different conventions exist across localities (Molotch, Freudenberg, & Paulsen, 2000). Moreover, there is a body of research that has documented that regional histories and traditions are essential for understanding the influence of local culture on organizational actions. For example, Elazar (1984) explained regional cultural (ethnic and religious) variance through the historical migratory and settlement patterns of different groups.

Some research has examined how cultural-cognitive forces within a community or region affect sport organizations. Hamil and Morrow (2011) found that CSR orientation and motivation are linked with the political, historical, and cultural context in which Scottish Premier League clubs are located. For example, Celtic FC, based in Glasgow, Scotland, frames their community involvement 'ethos' as being closely related to the early history and traditions of the club, which existed to raise funds to provide food for the poor in their community (Carr, Findlay, Hamil, Hill, & Morrow, 2000). Andersson and Carlsson (2009) noted that football clubs in Northern Europe generally share a legacy of volunteerism and idealism with historical roots of the welfare state and Scandinavian tradition, fostering political, normative, and social values such as democracy,

morality, and social integration.

Meanwhile, Putnam's (2000) analysis of social capital in the U.S. highlighted that there is a distinct pattern of social engagement among communities. In particular, the author found that community members in the Upper Midwest have a higher propensity to volunteering, inviting others over dinner, and in general, engaging with community members. According to the Corporation for National and Community Service, among the top 5 American cities with the highest volunteerism rates in 2017, two cities were located in the Midwest (Economist, 2018), with approximately 46% of people living near Minneapolis and St Paul in Minnesota reporting regular volunteerism. Brown (1999) noted that "volunteering is a form of civic engagement through which individuals can make meaningful contributions to their visions of societal well-being" (p. 3).

Given that volunteerism would be a manifestation of shared cultural beliefs and values within a community representing concern for others, altruism, or civic engagement in general (Putnam, 2000), I argue that this cultural-cognitive institutional force might be transferred explicitly or implicitly to professional sport teams and shape their philanthropic behaviors. Volunteerism itself might also be closely related to the implementation and delivery of a professional sport team's philanthropic activities. I predict that teams embedded in communities with high volunteering rates will be more likely to engage in CP. Thus, I hypothesize the following:

Hypothesis (H3): A higher community volunteer rate will increase the philanthropic giving of a professional sport team.

Methods

Research Context

Team Foundation. Today almost all professional sport teams in the U.S. have established an associated charitable foundation to engage in philanthropic practices. Professional team foundations are nonprofit entities (either public charities or private foundations) that are established and/or funded by the parent team. Although team foundations are legally separate and self-governed like other nonprofit entities, they are tightly connected to their team across multiple dimensions, such as name, branding, partnerships, resource exchange (e.g., funding, human resources, physical space), and governance (e.g., the board of directors). These nonprofit entities have become a central avenue to facilitate a team's philanthropic activities or community-oriented programs, often replacing the previous former in-house community relations function (Kolyperas et al., 2016). The establishment of a separate affiliated nonprofit entity demonstrates a greater degree of commitment toward CP and the extent to which a sport team institutionalizes CP into their business operations (Babiak & Wolfe, 2009; Sparvero & Kent, 2014). Since the financial data of team foundations is publicly available in the United States, I assume that the financial philanthropic contributions made by team foundations represent a key measure of a team's CP measure.

Community. North American professional sport teams are located in communities, each with distinct cultures, traditions, and histories, and governed by state legislatures with different laws (e.g., state tax rates). This setting provides natural experimental conditions to examine the effect of community institutional forces on CP in this study. I defined the geographic bounds of the community using the metropolitan statistical area (MSA) designated by the U.S. Census Bureau. The MSA is "a geographic entity associated with at least one urbanized area that has a population of at least 50,000, which comprises the core county plus adjacent counties that has a high degree of social and economic integration with the core as measured through commuting"

(U.S. Department of Commerce, 2010, p. A-15). MSA has been used commonly in organizational studies to define geographical boundaries (Marquis & Tilcsik, 2016; Stuart & Sorensen, 2003). In my sample, a total of 39 MSAs (i.e., communities) across the U.S. were identified in which professional sport teams were located between 2005 and 2015 (note – a summary table representing the study data is presented in Table 3.1 to help readers to have a better contextual understanding of the variables under consideration).

Data and Sample

The primary data source were Internal Revenue Service (IRS) Form 990 reports provided by professional sport team foundations in four sport leagues in the United States (i.e., MLB, NFL, National Basketball Association [NBA], and National Hockey League [NHL]). Form 990 is an annual tax form filed by nonprofit entities which contain financial information, such as annual revenues, expenses, contributions, and assets. The reports were gathered from Candid, a comprehensive database that provides financial and organizational information on nonprofit and philanthropic organizations.

Using these data, I constructed a sample of U.S.-based professional sport teams with charitable foundations between 2005 and 2015. Although most sport teams have an associated charitable foundation dedicated to support pressing social issues in their communities, some teams have not formed a recognized (affiliated) foundation or have utilized other forms of charitable giving (e.g., a private family (team owner) foundation, local community foundation, or entertainment company foundation) as their team's philanthropic vehicle (Babiak & Wolfe, 2009). Such cases were excluded from the sample. Moreover, I treated team relocations (e.g., Seattle Supersonics and Oklahoma City Thunder) during my research timeframe as two distinct franchises given the differences in community embeddedness. I also dropped the team-year

observation if the data on philanthropic giving was missing as some team foundations were formalized after 2005 (in such cases, there may not have been data for some years of the time period under consideration). Furthermore, some team foundations may not have filed Form 990 reports in a particular year because they were exempt according to IRS rules (for example, when annual revenues were less than $50,000).

My complete sample included 921 team-years observations from 92 distinct professional teams having publicly available data of their philanthropic giving at some point between 2005 and 2015. I selected these dates because, according to Babiak and Wolfe (2009), most teams had established charitable foundations by 2005. 2015 was the last year available for data on community volunteer rates (see independent variable for more explanation) so I selected this year as the final year for the analysis. This sample represents 26 MLB teams, 22 NBA teams, 26 NFL teams, and 18 NHL teams (note – these numbers exclude Canadian teams where there are different taxation and reporting structures for corporate foundations). Meanwhile, some observations were eliminated from teams in states with different forms of state corporate tax (e.g., gross receipts taxes). Thus, some of the models (which included state income tax) used a sample of 888 team-years, including 89 teams.

Measures

Dependent Variable. For each year, I used IRS Form 990 reports to record *philanthropic giving* of professional sport teams, defined as the sum of the total dollar amount of grants and program service expenses made by a team foundation. Although several previous studies on CP used only the total amount of grants distributed as a primary variable (Chen, Dong, Tong, & Zhang, 2018; Inoue et al., 2011; Tilcsik & Marquis, 2013), I measured both grants and program service expenses to capture not only the direct cash / in-kind donations to charities and

individuals but also indirect philanthropic contributions the teams made through their direct service programs (i.e., after school programs, special events, camps, etc.). To correct for skewed values, the dependent variable was log-transformed.

Independent Variables. To measure community regulative institutional forces, I assessed both top marginal state corporate and individual income tax rates to record *state income tax rates* (Hembre, 2019) over the ten-year period. The main reason for this is that tax liability depends on the legal entity / classification of the business. Professional sport teams, classified as corporations, are taxed as separate legal entities and are required to pay state tax on their profits (corporate income tax) (Rockerbie & Easton, 2018). Meanwhile, some teams operate as pass-through entities (i.e., partnerships or sole proprietorships, limited liability companies [LLC]) and are not subject to corporate income tax; instead, team owners pay state individual income tax on their share of the team's profits. Thus, I examined the legal entity types of professional sport teams and recorded either state corporate tax rates or individual income tax rates relevant to their specific business / taxation designation.

For the community socio-normative institutional force, I measured the *presence of local nonprofits* by recording the number of nonprofit organizations headquartered in the community (MSA) in which each professional sport team was located for each year of the study. The data were collected from the National Center for Charitable Statistics (NCCS), which compiles data from the annual filing of Form 990 for all operating 501(c)(3) public charities in the U.S. These data identify the density and geographic location of nonprofit operations / headquarters. The variable was log-transformed to correct skewed values.

I measured *volunteer rates* for the community cultural-cognitive institutional force by taking the ratio of the number of local volunteers reported to the total number of residents in the

community (based on MSA) for each year of the study. For this information, I used a dataset provided by the Corporation for National and Community Service, a federal agency that tracks volunteer, service, and grant-making trends in the United States.

Control Variables. To rigorously control for unobserved factors in philanthropic giving, I included team fixed effects in my models, which control for specific and time-invariant characteristics of sport teams during the period of the study. I also controlled for time-variant factors at the team level, such as team foundation size, team size, team operating efficiency, team age, team winning percentage, as well as team home game attendance. First, I measured team *foundation size* as the annual revenues of a foundation using data from IRS Form 990. *Team size* was measured through annual team revenues (Inoue et al., 2011; Waddock & Graves, 1997). *Team operating efficiency* is the operating margins of teams, which are computed as the proportion of operating income over total revenue and represent the team's financial performance (Inoue et al., 2011). Team financial data was collected from Forbes Magazine's professional sport team data, which annually compiles team valuations, revenues, expenses, operating income, and player expenses from all teams in each of the four U.S. major leagues. Because most professional sport teams in the U.S. do not publicly report their financial data, these estimates have been largely used as a proxy for the financial performance of sport teams (Inoue et al., 2011).

I also operationalized *team age* (logged) by calculating a team's founding year from the given year and measured *team winning percentage*, which is the percentage of regular-season games played by each team that were won (Foster & Washington, 2009). These data were gathered from the official website of each professional sport league. Lastly, the annual total *home game attendance* of each franchise was recorded, which reflects actual purchasing behaviors of

sport fans (McDonald & Rascher, 2000), using data from ESPN attendance reports. Furthermore, at the community level, I collected data on community *population* and *per capita income* to capture the overall size of the community and its economic situation, respectively, from the U.S. Census Bureau.

Statistical Model

Because my data includes both cross-sectional and time-series components, I employed fixed-effects models to account for the multiple observations per professional sport team and to control all observable and unobservable time-invariant differences across sport teams. By doing so, I was able to eliminate confounding factors, such as sport league affiliations or managerial / structural characteristics that could potentially affect the philanthropic giving of the focal team and to test the effect of community institutional forces.

Considering the nature of the panel data, I used numerous tests to determine whether a fixed effects model was appropriate for my analysis. First, the F-test of the fixed effects model rejected the null hypothesis that all fixed effects are jointly 0, and thus, I can conclude that a fixed effects model is preferable to a pooled Ordinary Least Squares (OLS) model. Next, I performed the Breusch-Pagan Largrange Multiplier (LM) test for testing random effects, and the results revealed that the random effects model is more efficient than the pooled OLS model. Finally, I ran a Hausman test to determine whether the coefficients between fixed effects and random effects model were systematically different (Gujarari, 2003). The test rejected the null hypothesis that the unique errors (i.e., fixed effects) are not correlated with the regressors. Therefore, I can conclude that a fixed effects model is suitable for estimating my model (Hausman, 1978).

To account for multiple observations per team, I used cluster-adjusted robust standard

errors (Stock & Watson, 2008). I also evaluated multicollinearity by calculating the variance inflation factor (VIF) based on the fully specified model. The VIFs for each independent variable were below 10 (ranged from 1.37 to 6.02), suggesting that the models have no issues with respect to multicollinearity (Neter, Wasserman, & Kutner, 1985).

Results

Table 3.2 presents descriptive statistics, including means, standard deviations, and correlations for the variables. As seen in the descriptive statistics from Table 3.2, the average team philanthropic giving was about $978,000 per year and ranged from $9,775 to $8,923,427. The average state income tax rates and the average number of nonprofits in the community were about 5.75 percent (ranged from zero to 12.3 percent) and 7,107 organizations (ranged from 243 to 30,589), respectively. Finally, the average of volunteer rates was 26.22 percent (ranged from 12.04 to 40.56 percent). Table 3.3 shows the results of the analyses. Models 1 through 3 are mainly informational, showing the main effects of each of the hypothesized variables with control variables. Model 4 presents the full model with all main effects which I will use for the conclusions of my hypotheses testing.

Hypothesis 1 (H1) predicted that higher state income tax rates would lead to greater philanthropic giving of professional sport teams. Model 4 supports this prediction. Specifically, Model 4 estimated that, on average, a 1 percent point increase in state income tax rates is associated with an approximately 8.5 percent increase in team philanthropic giving (note – one unit change in the independent variable is associated with $100 \cdot \beta 1$ percent change in the dependent variable in log-level regression). To uncover the influence of community regulative forces on the team philanthropic giving, I tested hypothesis 2 (H2) and it was also supported in Model 4, indicating that a higher number of nonprofits in a community increases philanthropic

giving of professional sport teams. In particular, the model suggests that, on average, a 1 percent increase in the number of nonprofits in the community is associated with an approximately 0.69 percent increase in team philanthropic giving. In this case, as both dependent and independent variables are in the logarithmic form, the interpretation tells us the extent to which philanthropic giving is sensitive to the change in the number (by percent) of nonprofits. Finally, hypothesis 3 (H3), regarding cultural-cognitive forces, predicted that the positive effect of volunteer rates in the community on the philanthropic giving of professional sport teams; however, neither Model 3 nor Model 4 support H3.

An analysis of robustness checks was conducted to provide additional support for the hypotheses. I conducted two different sets of analyses where I specified the dependent variable differently, the amount of grant and the program service expenses, respectively. Results of both models using an alternative dependent variable were similar to those presented above. Overall, these results imply that regulative and socio-normative forces may have a significant influence on team philanthropic giving, even accounting for other features of professional sport teams and communities. In contrast, the results show a lack of support for the influence of cultural-cognitive forces.

Discussion and Conclusions

In this study, I examined the relationship between community institutional forces and CP in the context of professional sport. Drawing on institutional theory, I argued that three primary institutional forces–regulative, socio-normative, and cultural-cognitive–embedded in the community would affect a professional sport team's CP. To this end, I examined the influence of state income tax rates, the number of nonprofit organizations in the community, and local volunteer rates, which represent three significant community institutional forces, respectively.

My results show that higher state income tax rates and a greater presence of nonprofits in the community increase the level of teams' philanthropic giving. However, community volunteer rates were found not to have a significant influence on teams' philanthropic giving.

Effect of Community Institutional Forces on CP

The results suggest that team philanthropic giving varies with the state income tax level: the higher the state income tax rate, the more likely it is that a team makes higher philanthropic contributions. This finding is supported by previous research that showed that tax rates and corporate giving are related as tax systems create incentives for a tax deduction by reducing the taxable income of companies (Bakija, Gale & Slemrod, 2003; Guthrie et al., 2008). As Scott (2010) noted, given that the regulative element of institutional theory is more associated with rational choice and design of organizational behaviors, the findings hinted that professional sport teams might see CP as part of profit-maximization efforts (i.e., cost-minimization through tax write-off) to support financial success. The relationship between tax breaks and the level of team philanthropic giving also suggested that taxes function as a regulative institutional force that sends signals to firms that supporting the local community and the provision of social benefits is important (Marquis et al., 2007). The results indicated that professional sport teams appear to respond to this regulative force.

I found that the number of nonprofit organizations in a community is positively associated with the level of professional sport team philanthropic giving. The presence of higher numbers of local nonprofits may imply greater community need, and these organizations may represent a key element of the institutional infrastructure of the community, and thus foster greater corporate social action (Marquis et al., 2007). Nonprofit organizations have played a significant role in implementing CP since companies, in most cases, fund local nonprofits to

serve their community directly through grants and sponsorships, in-kind donations (e.g., goods and services) and / or indirectly by supporting fundraising events and providing volunteer labor (often employees) through their organizational resources (Marquis et al., 2013). However, it is often local nonprofits that deliver the direct programs and services to those most in need in communities. Moreover, nonprofits, as active social sector actors in communities, may impose pressures, standards, and evaluative systems on the social engagement of private sector firms through local organizational networks. These forces may influence community norms around CP. The greater the number of local nonprofits, the denser the connections between local corporations and nonprofits. More connections would increase the likelihood of local companies to engage in socially responsible practices (Marquis et al., 2007).

The density of local nonprofits might also be a driving force of higher levels of CP by connecting companies to the social needs in the community and helping to foster the coordination of corporate social actions. In the context of professional sport, teams have begun to form partnerships with local nonprofits to support the community and address pressing local issues (Heinze et al., 2014). For example, the Minnesota Twins of the MLB teamed up with multiple nonprofit organizations to address community issues. Specifically, the Twins have established partnerships with the Sheridan Story, Project Success, and the ALS Association, all local nonprofits that work to address community needs such as child hunger, disease awareness-raising, and youth education. (Minnesota Twins, 2020). In addition, there may be nonprofit–team foundation governance networks where members from local nonprofits serve on the board of trustees / directors of team foundations (and vice versa, team foundation board members may also serve on the boards of local nonprofits). These relationships may provide shared expertise and can provide information on local social issues. This interaction may affect the decision-

making process of team foundations in determining who to fund and for how much.

While this study examined the effect of cultural-cognitive institutional forces on CP by capturing the volunteer rates of a community, the findings did not provide significant evidence that this was a meaningful factor influencing team charitable giving. Previous literature has shown that historical circumstances and culture, demographic and physical geographic factors of a community have a strong influence on various corporate behaviors (Marquis, 2003; Marquis et al., 2007; Lounsbury, 2007). Therefore, I used community volunteer rates as an indicator of community generosity (Leins, 2019), which might be a factor in developing a community culture around social engagement and need, and which may influence local levels of CP. However, the findings related to volunteer rates may have been influenced by the relationship between volunteering and socio-economic status of the community population, as Naegele and Schabel (2010) noted, "active voluntary work correlates with levels of education, family (or economic) status and household income… as a consequence, personal resources have a strong impact on volunteering… (p. 34)". Therefore, in the future, other measures for cultural / community forces may be used to better understand what influences CP. For example, the contribution of social welfare-oriented nonprofits within communities, such as anti-poverty nonprofits, would be a good indicator of community generosity as the donors give to benefit the larger community, but generally they do not benefit from the donations (in contrast, the donors often receive benefits by making a contribution to arts / education nonprofits) (Wolpert, 1988).

Contributions and Implications

This study adds knowledge to the literature on corporate philanthropy, organizational studies, and sport management in several ways. First, although previous research claimed that a community affects various organizational behaviors through multi-dimensional institutional

processes (Marquis & Battilana, 2009), there was limited understanding on the specific aspects of how community forces might shape or influence firms to engage in CP (Gautier & Pache, 2015). By empirically testing the effect of community institutional forces (i.e., regulative, socio-normative, cultural-cognitive) on the level of philanthropic giving by professional sport teams, the study suggests that community institutional factors are a source of pressure on organizations in delivering their CP. Furthermore, this study suggests professional sport teams as social actors embedded in the local community, respond to multi-dimensional institutional pressures from their local community. Future scholars could expand on this by exploring how the local institutional context can play role in promoting and maximizing social benefit by leveraging organizational actors in the community.

Second, while extensive studies on CP have looked at the relationship between CP and corporate financial performance (Brammer & Millington, 2005; Margolis & Walsh, 2003; Zhao & Zhang, 2020), which has been regarded as a strong driver for firms to engage in CP, the connection has remained inconclusive. In examining CP in the context of geographic institutional terrains, this study shed lights on the field-level drivers of CP and the variation of philanthropic giving across professional sport teams.

Third, this study extends organizational field perspectives in sport literature by incorporating community as a crucial field and investigating teams' philanthropic behavior as an organizational response to multi-dimensional institutional forces from their different local communities. I believe that the study may be a platform to advance future research on the discourse of community in the context of professional sport. Specifically, from a professional sport team perspective, the geographic community sets the boundaries of their exchange field (e.g., a population of actors interacting with exchange partners (DiMaggio & Powell, 1983), such

as the New York professional sport industry) as they operate in a specific geographic market; simultaneously, the community is a primary focus / target in which they address the (social) issues and engage with diverse sets of actors, such as nonprofit organizations, advocacy groups, firms from different industries, and public authorities (Wooten & Hoffman, 2008; Zietsma, Groenewegen, Logue, & Hinings, 2017). This perspective on understanding community as an intersection of professional sport teams' exchange and issue fields would help to examine the nuances of institutional processes and dynamics around CP in the sport literature. Furthermore, it contributes to the knowledge of the relationship between exchange fields and issue fields in institutional theory (Zietsma et al., 2017).

In addition to these theoretical contributions, some practical implications can be drawn from my study. One implication would be that professional sport teams need to be attuned to signals (i.e., locally defined standards and norms around CP) from the local community to make the most significant social impact. In doing so, team CP managers should develop sophisticated organizational processes around understanding social priorities, needs, and other issues in their community. Furthermore, broadly considering such institutional mechanisms, the study suggests practical implications for policymakers, practitioners in the social sector, and interest groups at the community level. That is, through a better understanding of community institutional forces that enable CP, practitioners might leverage these forces to exert pressure on professional sport teams to engage in appropriate levels of CP to achieve their desired social objectives.

Limitations and Future Research

As with any study, there are several limitations to the current study. First, my sample is composed of professional sport teams in the U.S. which operate as privately held entities, governed by a league. Other sport organizations with different governance structures (e.g.,

nonprofits or privately held firms) may be influenced by different community institutional pressures. Moreover, it is possible that replication of my model in different industries or countries would yield different results. Second, my findings show that regulative institutional forces (i.e., incentive-based regulative mechanisms) within communities appear to affect the level of engagement in CP of professional sport teams. However, it would be desirable if future research can further examine this regulative process by connecting these institutional pressures to the unique features of professional sport. For example, sport teams have social contracts with the communities in which they operate. That is, sport teams often have to negotiate partnerships / agreements with local governments for stadia construction, transportation, and other non-tangible resources, which are essential to the team's operations (Babiak & Wolfe, 2009). From this perspective, CP can be understood as a reciprocal activity of sport teams to implicitly fulfill obligations towards their social contracts with the communities in which they operate.

Third, while the findings suggest a relationship between the presence and density of community nonprofits and CP levels of professional sport foundations, there is still much that remains unknown in this domain. Future work might examine what and how various socio-normative pressures from different community actors, such as corporate, municipal, nonprofit, or other representations, influence the level of giving or focus of CP of a professional sport team. Fourth, the study measured three primary community institutional forces as the main variable by using state income tax rates, numbers of local nonprofits, and volunteer rates. However, there might be other–multiple–social dimensions that can capture the institutional forces from the community. Future research can be directed toward the effect of other local policies at various levels (e.g., city, state), political affiliation, religious culture, a regional culture rooted in migratory history, or traditions from regional industrial characteristics (Marquis & Battilana,

2009). In addition, it would be interesting to examine the spatial (community) patterns and differences of institutional forces on CP of professional sport teams.

Fifth, the current study only measured the level of philanthropic giving by using the sum of annual grants and program service expenses. However, this quantified measurement may not fully account for the level and influence of team philanthropic contributions. For example, it is possible that some team philanthropic practices might be more impactful than others in terms of social outcomes despite spending less on their philanthropy. Future research might identify the different outcomes and measures that can fully account for philanthropic efforts of the teams. Finally, although my results show some of the effects of community institutional forces on CP, I did not examine how organizational characteristics filter the effects. For example, some research has examined the relationship between corporate governance / ownership structure and CP (Brown, Helland, & Smith, 2006; Dam & Scholtens, 2013), other studies have focused on how individual characteristics of executives (e.g., age, gender, education level) affect corporate social action (Huang, 2010; Marquis & Lee, 2013). Unlike most industries, for owners of professional sport teams, profits may not be the only objective of owning a team. Other drivers such as sporting performance (winning), power, profile, or passion, may underpin decisions around team ownership (Foster, O'Reilly, & Davila, 2016). Thus, future research might consider investigating how these organizational and individual level factors might moderate the effect of community on CP.

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Table 3.1

Summary of Communities and Study Data 2005–2015

MSA	States	# of Teams	Corp Tax (%)	Ind Tax (%)	# of NPOs	Volunteer Rate (%)
Atlanta-Sandy Springs-Roswell, GA MSA	Georgia	2	6.00	6.00	5,495	26.07
Baltimore-Columbia-Towson, MD MSA	Maryland	2	7.91	5.50	3,643	27.66
Boston-Cambridge-Newton, MA-NH MSA	Massachusetts	4	8.78	5.28	8,660	26.13
Buffalo-Cheektowaga-Niagara Falls, NY MSA	New York	2	7.21	8.38	1,511	24.86
Charlotte-Concord-Gastonia, NC-SC MSA	North Carolina	1	6.68	7.51	1,961	30.51
Chicago-Naperville-Elgin, IL-IN-WI MSA	Illinois	5	8.14	3.80	10,546	25.25
Cincinnati, OH-KY-IN MSA	Ohio	1	N/A	6.17	2,488	28.12
Cleveland-Elyria, OH MSA	Ohio	3	N/A	6.17	3,053	27.88
Columbus, OH MSA	Ohio	1	N/A	6.17	2,597	30.10
Dallas-Fort Worth-Arlington, TX MSA	Texas	4	N/A	0.00	5,988	28.26
Denver-Aurora-Lakewood, CO MSA	Colorado	2	4.63	4.63	3,451	30.40
Detroit-Warren-Dearborn, MI MSA	Michigan	2	4.50	4.20	3,849	26.22
Green Bay, WI MSA	Wisconsin	1	7.90	7.37	284	35.19
Houston-The Woodlands-Sugar Land, TX MSA	Texas	3	N/A	0.00	4,966	23.00
Indianapolis-Carmel-Anderson, IN MSA	Indiana	2	8.23	3.39	2,401	29.36
Jacksonville, FL MSA	Florida	1	5.50	0.00	1,239	25.97
Kansas City, MO-KS MSA	Missouri	1	6.25	6.00	2,436	31.78
Los Angeles-Long Beach-Anaheim, CA MSA	California	6	8.84	10.16	14,000	21.09
Memphis, TN-MS-AR MSA	Tennessee	1	6.50	0.00	1,178	25.92
Miami-Fort Lauderdale-West Palm Beach, FL MSA	Florida	2	5.50	0.00	3,393	14.58
Milwaukee-Waukesha-West Allis, WI MSA	Wisconsin	2	7.90	7.37	2,490	33.04
Minneapolis-St. Paul-Bloomington, MN-WI MSA	Minnesota	4	9.80	8.21	5,262	37.57
Nashville-Davidson-Murfreesboro--Franklin, TN MSA	Tennessee	2	6.50	0.00	1,998	27.60
New York-Newark-Jersey City, NY-NJ-PA MSA	New York	6	7.21	8.38	25,548	17.41
Oklahoma City, OK MSA	Oklahoma	1	6.00	5.36	1,477	26.50
Orlando-Kissimmee-Sanford, FL MSA	Florida	1	5.50	0.00	1,900	20.27
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	Pennsylvania	3	9.99	3.07	8,132	25.92
Phoenix-Mesa-Scottsdale, AZ MSA	Arizona	4	6.84	4.63	3,302	23.51
Pittsburgh, PA MSA	Pennsylvania	2	9.99	3.07	3,313	25.92
Portland-Vancouver-Hillsboro, OR-WA MSA	Oregon	1	7.29	9.87	3,230	34.29
Raleigh, NC MSA	North Carolina	1	6.68	7.51	2,315	23.96
Sacramento-Roseville-Arden-Arcade, CA MSA	California	1	8.84	10.16	2,568	25.18
San Diego-Carlsbad, CA MSA	California	1	8.84	10.16	3,515	28.51

(Continued Table 3.1)

MSA	States	# of Teams	Corp Tax (%)	Ind Tax (%)	# of NPOs	Volunteer Rates (%)
San Francisco-Oakland-Hayward, CA MSA	California	4	8.84	10.16	8,016	29.92
San Jose-Sunnyvale-Santa Clara, CA MSA	California	2	8.84	10.16	2,248	30.12
Seattle-Tacoma-Bellevue, WA MSA	Washington	3	0.00	0.00	5,160	33.86
St. Louis, MO-IL MSA	Missouri	3	6.25	6.00	3,082	29.79
Tampa-St. Petersburg-Clearwater, FL MSA	Florida	3	5.50	0.00	2,465	23.78
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	Washington DC	2	9.92	8.75	11,869	31.99

Note. State corporate tax and individual income tax (top-marginal), the number of nonprofit organizations, the volunteer rates are the average value between 2005 and 2015; Corporate tax rates of Texas and Ohio were not recorded because they use different forms of corporate tax (e.g., gross receipts taxes)

Table 3.2

Descriptive Statistics and Correlations

Variables	Mean	SD	1	2	3	4	5	6
1. Philanthropic giving	.978	1.035						
2. State income tax	5.754	3.436	.086					
3. # of nonprofits	7107	6768	.218	.332				
4. Volunteer rates	26.22	5.513	-.136	.081	-.404			
5. Foundation size	1.234	1.275	.681	.062	.153	-.099		
6. Team size	196.8	91.05	.374	.111	.264	-.053	.387	
7. Team operating efficiency	.085	.125	.169	.057	.106	.083	.176	.511
8. Team age	47.96	32.91	.298	.230	.340	-.081	.280	.391
9. Team winning %	.506	.142	.082	.038	.027	-.010	.086	.037
10. Home game attendance	1.209	.969	.288	.074	.253	.010	.298	.237
11. Community income	30.32	4.761	.253	.410	.476	.144	.278	.363
12. Community population	5.733	5.170	.170	.289	.855	-.602	.144	.191
			7	8	9	10	11	
8. Team age			.226					
9. Team winning %			.039	.051				
10. Home game attendance			-.017	.330	.054			
11. Community income			.209	.214	.081	.095		
12. Community population			-.005	.261	.013	.152	.241	

Note. This table reports means and standard deviations using the original untransformed variables. Philanthropic giving, foundation size, and team size in millions of dollars; team age in years; home game attendance and community populations in millions; community income in thousands of dollars.

Table 3.3

Fixed Effects Models Predicting Philanthropic Giving

Variables	Model 1	Model 2	Model 3	Model 4
State income tax (H1)	.088*			.085*
	(.044)			(.043)
ln (Nonprofits) (H2)		.706*		.699*
		(.384)		(.383)
Volunteer rate (H3)			-.000	-.003
			(.000)	(.010)
Foundation size	.000***	.000***	.000***	.000***
	(.000)	(.000)	(.000)	(.000)
Team size	-.000	-.000	.000	-.000
	(.001)	(.001)	(.001)	(.001)
Team operating efficiency	.149	-.005	-.100	.237
	(.432)	(.418)	(.418)	(.428)
ln (Team age)	.750**	.581**	.703**	.619**
	(.228)	(.221)	(.224)	(.231)
Team winning %	-.041	.006	-.019	-.015
	(.237)	(.224)	(.231)	(.233)
Home game attendance	-.000	-.000	-.000	.000
	(.000)	(.000)	(.000)	(.000)
Community per capita income	.000	.000	.000	.000
	(.000)	(.000)	(.000)	(.000)
Community population	.000	-.000	-.000	-.000
	(.000)	(.000)	(.000)	(.000)
Constant	8.467***	4.554^{+}	9.239***	3.940
	(1.256)	(2.698)	(1.283)	(2.798)
Observations	888	921	921	888
Number of team	89	92	92	89

Notes. Robust standard errors are in parentheses.
$^{+}$ $p<0.1$, * $p<0.05$, ** $p<0.01$, *** $p<0.001$ (One-tailed for hypothesized, two-tailed for controls)

CHAPTER IV

Does Foundation Governance Affect Generosity in Corporate Philanthropy? Insights from Professional Sport

Corporate philanthropy (CP), as one pillar of corporate social responsibility (CSR), involves voluntary and unconditional charitable contributions by firms to social causes – generally through financial contributions, in-kind donations, and the donation of other corporate resources (e.g., employee volunteering) (Gautier & Pache, 2015; Godfrey, 2005). With increased social and strategic pressures to encourage businesses to contribute to social welfare, a growing number of corporations have set up associated charitable foundations to institutionalize and formalize their CP (Rey-Garcia, Sanzo-Perez, & Álvarez-González, 2018). Through these related foundations, companies are able to manage their CP with well-organized and efficient systems often directed by specialized professionals (Marquis & Lee, 2013). Typically, corporate foundations are nonprofit entities (either public charities or private foundations) that are established and/or supported by the corporate entity (von Schnurbein, Seele, & Lock, 2016). Although corporate foundations are legally separate and self-governed like other nonprofit entities, they are often tightly connected to their parent company across multiple dimensions, such as name and branding, resource exchange (e.g., funding, human resources, physical space), governance (e.g., board of directors (trustees) representation), and through aligned strategic objectives (Westhues & Einwiller, 2006).

Despite the growing visibility of corporate foundations as important philanthropic actors

that facilitate corporate giving, still little is known about the dynamics, exchanges, and interactions between companies and their foundations. Given the importance of governance and strategic decision making on the management processes and philanthropic practices of nonprofit organizations (Boesso, Cerbioni, Menini, & Parbonetti, 2017; Renz, Roza, & Simons, 2020), this is an area of scholarly opportunity to more deeply understand, enhance, and augment. A growing number of studies have examined the effect of governance mechanisms on CSR or CP outcomes at different levels, such as corporate ownership structures (Brown, Helland, & Smith, 2006; McGuire, Dow, & Ibrahim, 2012), corporate board structural characteristics (e.g., company board size and composition) (Bear, Rahman, & Post, 2010; Mackenzie, 2007), or top management's individual characteristics (Huang, 2013; Marquis & Lee, 2013). However, these previous studies, although occasionally considering corporate foundations as a channel or tool of CP, generally focus on corporate governance perspectives of the company itself. Very few studies examine corporate foundation governance mechanisms and their effects on CP outcomes.

Bethmann and von Schnurbein (2020) noted that to understand the governance of corporate philanthropy, it is essential to understand the nature of the relationship between the foundation and the parent company. Corporate foundations are often regarded as hybrid organizations that incorporate elements and logics of both private and social sectors (Cooney, 2006; Smith, 2010). That is, corporate foundations are nonprofit entities that pursue charitable goals, yet they also exhibit business-oriented practices and interests as they are linked to their parent company whose purpose is profit-maximizing (Rey-Garcia et al., 2018). Because of this distinctive relationship, corporate foundation governance is considered a more complex organizational dynamic than that of traditional nonprofit governance (Renz et al., 2020). Like other nonprofit organizations, corporate foundations are governed by a board of directors, who

oversee financial management, guide the foundation's activities to align with their mission, and approve the strategic aims of the organization (Boesso, Cerbioni, ,Menini, & Parbonetti, 2017; Miller-Millesen, 2003; Stone & Ostrower, 2007). As the board of directors of corporate foundations is also an important structural linkage between the foundation and the company (Westhues & Einwiller, 2006), it is common that senior executives / chief executive officers (CEO) from the corporation have a formal role in foundation governance (Bethmann & von Schnurbein, 2020; Marquis & Lee, 2013).

In the context of professional sport, since the establishment of the New York Yankees Foundation in 1963 (the first team charitable foundation in professional sport in the United States), the majority of professional sport teams have established their own charitable foundations (Anagnostopoulos & Shilbury, 2013; Babiak & Wolfe, 2009; Sparvero & Kent, 2014). According to my preliminary research, 128 out of 135 U.S. professional sport teams in five major leagues have established an independent foundation or have a connection to other nonprofit entities (e.g., team owner's foundation, sport entertainment group foundation). Team charitable foundations have become a strategic channel to facilitate a team's philanthropic activities or community-oriented programs, often replacing the former in-house 'community relations' function (Kolyperas, Anagnostopoulos, Chadwick, & Sparks, 2016). Babiak and Wolfe (2013) noted that team foundations enable more strategic planning and effective coordination of philanthropic activities while capitalizing on the team's organizational resources.

Over the decades, sport management scholars have addressed the determinants and strategic value of CSR and CP in professional sport (Babiak & Wolfe, 2013; Lacey & Kennett-Hensel, 2016; Trendafilova, Ziakas, & Sparvero, 2017; Walzel, Robertson, & Anagnostopoulos, 2018). This work has demonstrated the emerging strategic role that a social and community focus

has for the professional sport industry and has underscored the important strategic benefits sought by teams in executing these efforts. However, we still have little understanding of what factors lead to variance in designing, implementing these initiatives and lack an understanding of why some teams give more than others. Given that the level of involvement in CP varies widely in professional sport with some teams demonstrating significant generosity in their philanthropic giving while other teams give little (Inoue, Kent, & Lee, 2011; Sparvero & Kent, 2014; Yang & Babiak, in press), I argue that as the major decision making and governance entity of corporate foundations, the board of directors would be a crucial force in advancing or constraining CP outcomes in professional sport teams.

The purpose of the study is to explore the influence of team foundation governance on a professional sport team's CP outcomes. Drawing on the literature from corporate governance, nonprofit governance, and sport management, I focus on how board attributes, such as board structural characteristics (i.e., board size and diversity) and board leadership (i.e., board chair affiliation with the parent team and presence of a paid executive director), influence a team foundation's philanthropic giving. To empirically test my hypotheses, I collected and analyzed a dataset of philanthropic giving by team foundations in the U.S. from 2011 to 2017. By understanding corporate foundation (e.g., team foundation) governance and its influence on CP, the study fills a current research gap in the nonprofit governance and sport management literature. First, this study empirically examines the link between the board attributes and organizational outcomes in the context of corporate foundation governance, which has been rarely explored. Second, the study draws on an organizational setting of professional sport in which team foundation's activities are integrated into the team's business operations (e.g., fundraising events during games, communication in stadia, and cause-related marketing through

team merchandise). Thus, the setting of professional sport provides a unique empirical context to consider and explore these questions and issues.

Conceptual Framing and Hypotheses

Nonprofit Governance and Boards of Directors

Governance comprises "…the systems and processes concerned with ensuring the overall direction, control and accountability of an organization" (Cornforth, 2014, p. 5). In the nonprofit literature, this overarching term has primarily considered the responsibilities and operations of the board of directors (Daily, Dalton, & Cannella, 2003; Stone & Ostrower, 2007). The board of directors is legally responsible for the organizational actions taken by nonprofit organizations (Herman & Renz, 2000), and they monitor and support management and practices with the purpose of achieving organizational goals (de Andrés-Alonso, Azofra-Palenzuela, & Romero-Merino, 2008; Miller-Millesesn, 2003).

Board governance of nonprofit organizations has been explored from various theoretical perspectives. For example, agency theory has helped to explain the function of the board in terms of the need for the principal to monitor the agent (Huse, 2009; Jensen & Meckling, 1976). In the case of nonprofits, the agent, or executive director, is monitored by the principal, the board of directors, to prevent the agent from acting in their own interests which may not be favorable to the interests of the principal (Miller-Millesen, 2003). A resource dependency perspective (Pfeffer & Salancik, 1978) argues that nonprofit boards play an essential role in supporting organizational practices by securing critical organizational resources (e.g., financial, human, and relational resources) and enhancing the legitimacy and credibility of the organization in the field (Cumberland, Kerrick, D'Mello, & Petrosko, 2015; Miller-Millesen, 2003). Furthermore, stewardship theory has explained that board members, as stewards of the organization, help to

achieve the goals and missions of nonprofits by guiding organizational strategy and collaborating with management (Davis, Schoorman, & Donaldson, 1997; Van Puyvelde, Caers, Du Bois, & Jegers, 2012).

Drawing on these theoretical understandings of the role of board, previous research has examined the various aspects of nonprofit board governance, including composition, leadership, board dynamics, and board effectiveness (Brown, 2005; Ostrower & Stone, 2006). Moreover, some studies have focused on how different board attributes link to organizational outcomes of nonprofits (Aggarwal, Evans, & Nanda, 2012; Brown, 2005; Callen, Klein, & Tinkelman, 2003; Gazley, Chang, & Bingham, 2010; Jaskyte, 2018). For example, Callen, Klein, and Tinkelman (2003) investigated the relationship between board characteristics and organizational efficiency using annual financial reports of nonprofits in New York State. They found that an increase in board size was positively associated with an increase in the proportion of fundraising expenses to total expenses. In the context of community mediation services, Gazley et al. (2010) found that board diversity (i.e., board members' professional background) had a positive influence on gaining collaborative benefits (e.g., service improvement or securing funding). The author argued that board diversity helps nonprofits to build inter-organizational relationships and secure resources.

Other scholars (Jaskyte, 2018) have explored the relationship between boards of directors and the adoption of innovative practices as an organizational outcome. Jaskyte's study found that board culture (critical questioning) and board human / social capital play a significant role in influencing organizational innovation (e.g., introducing a new way of service delivery). While these above-mentioned studies have explored the important role of boards of directors in guiding nonprofit practices as well as their impact on certain organizational outcomes, empirical research

on the relationship between board attributes and organizational outcomes is still scarce (Hinna, & Monteduro, 2017; Ostrower & Stone, 2006). Above all, there have been few studies in the unique context of corporate foundation governance (Roza, Bethmann, Meijs, & von Schnurbein, 2020).

In the context of sport, the body of research also has explored various aspects of board governance in nonprofit organizations, such as board structure and role (Inglis, 1997; O'Boyle & Hassan, 2016), board dynamics (Schoenberg, Cuskelly, & Auld, 2016), and board performance (Ferkins & Shilbury, 2012; Hoye & Doherty, 2011). For example, Ferkins and Shilbury (2012) studied the key aspects of strategically capable boards by investigating national sport organizations in New Zealand. The authors suggested that elements such as having capable people (e.g., long-term thinkers), an established frame of reference (e.g., a road map and strategy to work), facilitative board processes (e.g., having a board work plan), and strategic relationships with the sports affiliated regional entities, enhanced the strategic capabilities of boards. Schoenberg et al. (2016) systematically reviewed the nature of interactions within nonprofit sport boards and specifically noted the positive impact of board cohesion, the board–CEO relationship, and boardroom climate on board performance.

Despite the increased visibility of CP and growth in the establishment of corporate foundations in professional sport, the majority of governance research within the field of sport management still has been carried out in nonprofit organizations such as local / community sport organizations, or regional / national sport governing bodies (Dowling, Leopkey, & Smith 2018). In the following sections, I discuss how professional sport team corporate foundations, as nonprofits entities, are uniquely positioned with respect to board governance and how board attributes may have an impact on a foundation's outcomes.

Corporate Foundation Governance and Organizational Outcomes

Corporate foundations are characterized by their ownership or structural relationship with the parent company. In nonprofit organizations, it is often not clear who the primary principals are (Anheier, 2005) because these organizations engage with multiple stakeholders, such as founders, donors, beneficiaries, managers, staff, volunteers, local communities, and public agencies (Carver, 1997; Oster, 1995). However, corporate foundations are closely linked to their founding organization through the provision of financial resources (e.g., annual endowments in the case of private charities, and employee or senior management contributions in the case of public foundations) and / or non-financial resources (e.g., brand, identity, employees, knowledge, physical space). Thus, the parent company is typically regarded as the 'principal' in the relationship with their corporate foundations (Minciullo & Pedrini, 2020). Because of this unique link with the founding company, corporate foundations usually pursue the missions of social benefit and impact, yet they also display the organizational goals aligned with their parent firm's corporate practices and strategies (Kania, Kramer, & Russell, 2014).

From a corporate perspective, the alignment of a foundation's operations with the company's core business purpose is critical for profitability, legitimacy, employee engagement, and reputation (Pedrini & Minciullo, 2011; Porter & Kramer, 2002). However, as independent legal entities, foundations also have a certain degree of autonomy from the parent company to pursue their charitable mission for social value. Therefore, there can be potential tensions and even conflicts of interest when the parent company pursues business-oriented goals by having a 'strategic' approach toward CP that collides with the social mission of the foundation (Renz et al., 2020). Bethmann and von Schnurbein (2015) noted that exploitation of a foundation by a firm for commercial purposes may hinder or limit a foundation's independence and focus on its charitable mission.

In corporate foundation governance, the board of directors is the ultimate decision-making body of the foundation (Minciullo & Pedrini, 2020). It also functions as an important structural linkage and communication channel between the foundation and the company (Westhues & Einwiller, 2006). Indeed, foundation boards are often comprised of senior executives (or the CEO) of the company (Renz et al., 2020), which implies that corporate leadership may have significant impact on the governance of the corporate foundation. Previous research has shown that business interests significantly impact the nature of the relationship between a company and its corporate foundation, which, in turn, impacts the foundation's governance structure, the direction of operations, and organizational outcomes (Bethmann & von Schnurbein, 2015; Pedrini & Minciullo, 2011).

In the professional sport context, some scholars have begun to investigate the operations and organizational context of team foundations in general. Notably, Sparvero and Kent (2014) examined the financial performance of team foundations by analyzing multiple financial indicators and compared it to that of other nonprofit organizations (e.g., education, health, youth development). The authors found that team foundations show comparably lower financial efficiency than other nonprofits. Kolyperas et al. (2016) proposed a framework of CSR value co-creation for professional sport teams. They highlighted that team foundations and their parent team can co-create value in their CSR practice through internal collaboration strategies, such as information sharing, staff sharing, flexible team cooperation, and co-training of personnel.

Moreover, Anagnostopoulos and Winand (2019) explored the board dynamics of English football team foundations – particularly, how team foundation executives build relationships with the board members from the parent teams to enhance organizational efficacy in achieving their social missions. The authors highlighted that the executives should build trust with the board

members by making them relate to the value of the foundation through various task-related exchanges (e.g., providing foundation resources, supporting a team's community initiatives, task cooperation, information / knowledge sharing). While this scholarship has helped shed light on our broader understanding of team foundations, the effect of team foundation governance (e.g., board attributes) on CP outcomes is unexplored. Next, I delve into the conceptualization of the specific board attributes examined in the study.

Relationship Between Corporate Foundation Board Attributes and CP Outcomes

Board Structural Attributes

Board size. The effect of board size (i.e., the number of directors on the board) on CSR outcomes has been widely studied in the larger context of corporate governance (Brown, Helland, & Smith, 2006; Huse, Nielsen, & Hagen; 2009; Kock, Santaló, & Diestre, 2012). Using an agency theory perspective, some scholars have found a positive relationship between publicly traded firms' board size and corporate giving. That is, larger corporate boards are more likely to experience free-rider problems as there is more chance that board members may not fulfill their roles and responsibilities to their board such as overseeing CEO behavior; as a consequence, a larger board has been found to be less effective in monitoring CEO's opportunistic behaviors (e.g., increasing corporate giving aligned with CEO's personal interest or reputation) (Brown et al., 2006).

However, in nonprofit governance, the role of the board is more focused on overseeing decision-making process and organizational activities to ensure that a nonprofit organization is not diverging from its social mission (Brown & Guo, 2010). Considering the resource provision role of the board is more crucial to organizational success for nonprofits than in traditional corporations (LeRoux & Langer, 2016), the effect of board size might be viewed from a resource

dependency theory perspective. Indeed, Provan (1980) argued that larger boards had increased organizational performance as more board members can bring more external resources into the organization. In the same vein, Olson (2000) examined the relationship between board governance and financial performance at independent nonprofit colleges. The author found that increased board size was associated with an increase in total revenue and gift income, which highlights the resource acquisition role of board. Aggarwal, Evans, and Nanda (2012) studied the relationship between nonprofit board size and organizational outcomes using longitudinal data of nonprofit organizations from multiple sectors (e.g., human service, education, arts, healthcare). The authors found a positive association between board size and donation revenue. In addition, they argued that board size is correlated with the number of social objectives (programs) that nonprofit organizations pursue.

Although it would be common that some corporate representation exists on a company's foundation board, other stakeholders may also have representation, such as local community members, major donors, or nonprofit partners (Provan, 1980; Renz et al., 2020; Van Puyvelde et al., 2012). Board size grows when the foundation is responsive to more stakeholders (Abzug, DiMaggio, Bradford, Kang, & Useem, 1994). Notably, it was argued that managing relationships with multiple stakeholders, such as fans, community organizations, public authorities, local governments, corporate and nonprofit partners, is one unique aspect of professional sport teams with respect to their CSR (Babiak & Kihl, 2018; Babiak & Wolfe, 2013). Considering the unique status and context of sport teams, the team foundation's management might be more attentive to various voices of stakeholders than other nonprofit foundations when they deliver CP practices to avoid potential backlash or criticism (Sparvero & Kent, 2014). Larger boards would also have greater diversity in board members' functional backgrounds, interests, and personal values

(Jaskyte, 2018; Siciliano, 1996). In other words, a larger board may include a broader array of members who bring diverse social interests and more philanthropic objectives, which may lead to the higher revenue and total giving of a corporate foundation. Following this reasoning, therefore, I predict that the board size of a team foundation is positively related to the foundation's philanthropic giving.

Hypothesis 1 (H1): Professional sport team foundations with larger boards of directors will have greater philanthropic giving.

Board Diversity: Gender Composition of Boards of Directors. In corporate governance, gender diversity in the composition of corporate boards of directors has been a consideration of interest (Jain & Jamali, 2016). Previous research has demonstrated that a gender-diverse board (i.e., with a higher ratio of women directors) is likely to promote more impactful CSR outcomes for a company (Bear, Rahman, & Post, 2010; Boulouta, 2013; Mallin, Michelon, & Raggi, 2013). Nielsen and Huse (2010) suggested that women directors are attentive to "the needs of others" and thus "may be particularly sensitive to – and may exercise influence on – decisions pertaining to certain organizational practices, such as corporate social responsibility" (p. 138). Burgess and Tharenou (2002) have found that there is a gender-stereotypical belief that women are caring, more empathetic and socially sensitive than men. Boulouta (2013) argued that women directors are likely to enact this feminine stereotypical behavior when dealing with CSR issues and thus enhance corporate social performance.

In the nonprofit literature, board diversity, including gender, race, and experience, has been addressed as board attributes that influence organizational practice and outcomes (Buse, Bernstein, & Bilimoria, 2016; O'Regan & Oster, 2005). For example, Siciliano (1996) found that board gender diversity in the Young Men's Christian Association (YMCA) had a positive effect

on social performance regarding fulfilling the organization's mission. Similarly, Harris (2014) noted that nonprofit boards with more women directors tended to focus on mission and financial outcomes. Hinna and Monteduro (2017) found that board diversity (i.e., gender and professional background) affected value creation (e.g., the set of activities improving organizational performance, such as the creation of special programs for beneficiaries or organizational research bodies) in grant-giving foundations. Furthermore, Wicker, Feiler, and Breuer (2020) investigated how board gender diversity influenced organizational problem-solving in the context of German nonprofit sport clubs. The authors showed that a higher percentage of women directors significantly reduced human resource and financial issues in the organizations. Based on resource dependency theory, they pointed out that women directors have brought essential resources to the board, such as knowledge and experience in a specific area (e.g., finance and law), experience in governance, political contacts in the field, and thus enhanced the board capacity to alleviate such organizational issues.

Although there are no studies I am aware of that have examined board diversity and its effects in the context of corporate foundations, I expect that board gender diversity may not only impact decision-making in philanthropic practices in terms of generosity but also increase board capability around resource acquisition related to philanthropic giving in professional sport team foundations. Thus, I hypothesize the following:

Hypothesis 2 (H2): Professional sport team foundations with more women directors on the board will have greater philanthropic giving.

Board Leadership

Board Chair Affiliation with Team. In corporate governance, the separation of the functional role of the board chairperson (control) and the CEO (management) is one way to

enhance board of directors' (principal) monitoring power by ensuring that the CEO (agent) carries out their duties in a way that is aligned with shareholders' interests (Fama & Jensen, 1983; Westphal & Zajac, 1995). However, in the case of corporate foundation governance, the aspect of dynamics between the charitable board and nonprofit management is somewhat different because the foundation itself may be viewed as the agent of the parent company. In many cases, the role of board chair of the foundation is often assumed by the CEO of the company (Marquis & Lee, 2013), which increases the connection and oversight of the corporation over the foundation. Minciullo and Pedrini (2020) asserted that it is likely that a board of directors acts on behalf of the parent company to ensure that the goals and practices of the foundation are aligned with the company's expectations rather than support the best interests of the foundation and its social mission.

The board of directors in corporate foundations may face great complexity in terms of decision making and balancing the potentially conflicting priorities and expectations from the parent company and the foundation itself. From a strategic perspective, CP should be designed to aim at certain social objectives which can also advance a firm's business interest (Porter & Kramer, 2002). In this case, the organizational outcomes of the foundation (e.g., the amount of philanthropic giving) might be depend on the perceived benefits that the foundation brings to the company (Bethmann & von Schnurbein, 2020). In the context of English professional football leagues, for example, Anagnostopoulos and Winand (2019) noted that the team foundations' board members that represent the parent teams tend to link the foundation activities to the business objectives (e.g., increase of ticket and merchandise sales). Moreover, since most professional sport teams are privately owned businesses (vs. public corporations) where firm owners have ultimate control over the strategic directions of their business, it is common that a

team owner (or their organizational representative), who hold the position of presidents / CEO in their franchises, sits on the team foundation board or serve as the board chair.

The degree to which the members of a parent company are embedded in the corporate foundation board may exhibit not only the monitoring power of the board but also the extent to which the foundation management is independent from the parent company. Together, the leadership of the board (i.e., board chair) in the corporate foundation will have a significant influence on the priorities of a foundation's practice and outcomes. Given that a foundation with a board chair from the ranks of the corporate executive is more likely to be controlled by corporate interests, I expect that a team foundation's philanthropic giving will be smaller when a team CEO or senior executive serves as board chair of the foundation.

Hypothesis 3 (H3): Team foundation philanthropic giving will be smaller when a senior team executive serves as the chair of the board.

Presence of Executive Director Paid by the Foundation. Another critical aspect in the corporate foundation governance process is executive leadership. In corporate foundations, it is often the case that executive directors, managers, and other staff members also have paid positions with the parent company (Rey-Garcia, 2012). However, the foundation may encounter challenges in acting independently when they are not able to employ their own staff. Moreover, employees seconded or reassigned from the corporation to provide oversight for the foundation might have limited professional charitable experience and knowledge of corporate foundation management (Westhues & Einwiller, 2006). It may also be the case that CEOs or corporate employees working at the firm's foundation might experience a blurring of identity and allegiance to the foundation (Renz et al., 2020). Given the critical role of the executive director of the foundation in taking responsibility for the management and guiding the foundation's board

of directors to fulfill its governing role (Heimovics, Herman, & Jurkiewicz, 1995), having an executive director who is recruited (and paid) by the corporate foundation (vs. the parent company) would be one measure of corporate foundation independence (Bethmann & von Schnurbein, 2020).

Recent literature in nonprofit sport organization governance has demonstrated a structural shift with sport nonprofits moving from volunteer driven management to the inclusion of paid professionals to oversee organizational activities (Ferkins & Shilbury, 2015; Tacon & Walters, 2016). Individuals in these professional roles (e.g., executive directors) work exclusively for the foundation / nonprofit and thus may have a greater focus and commitment toward expanding the scope and scale of revenue generation (e.g., fundraising events) and program delivery, amplifying the social mission, and striving for maximizing social impact. Therefore, I predict that team foundation philanthropic giving will be greater when team foundations have executive directors hired, exclusively dedicated to, and compensated by the foundation.

Hypothesis 4 (H4): The presence of an executive director paid by a team foundation will increase philanthropic giving.

Methods

Data and Sample

My primary data source was Internal Revenue Service (IRS) Form 990s from professional sport team foundations in four sport leagues in the U.S. (i.e., Major League Baseball [MLB], National Basketball Association [NBA], National Football League [NFL], and National Hockey League [NHL]). Form 990s are annual tax reports filed by nonprofit organizations falling under IRS Section 501(c)(3), which contain financial information, such as revenues (e.g., contributions and grants received), expenses (e.g., grants and program related spending) and

assets, and personnel information of nonprofit organizations (e.g., board of directors, compensated employees). I compiled the data set of Form 990s from Candid, a database of all nonprofit organizations in the U.S. For the period under investigation, other team-related data were collected from Forbes Magazine's annual financial reports of U.S. professional sport teams and Rodney Fort's Sport Business Database (e.g., team revenue and expenses), the official website of each professional sport league (e.g., teams' regular season winning percentage), and the ESPN website (e.g., team home game attendance). Community demographic data (e.g., identification of team-located metropolitan statistical area (MSA) and local population / income) were gathered from the U.S. Census Bureau.

I collected data on 96 team foundations in four major U.S. professional sport leagues for odd-numbered years during the period between 2011 and 2017. The sample included team foundations (either public charities or private foundations) that were established by 27 MLB teams, 22 NBA teams, 28 NFL teams, and 19 NHL teams. I excluded Canadian team foundations in given the different taxation and reporting structures for nonprofit organizations in Canada. Differing forms of charitable giving (e.g., team owner foundations, local community foundations, or entertainment company foundations) were excluded from the sample as they did not meet the criteria of an associated team foundation for this study. Additionally, observations were eliminated when some data (e.g., the list of board of directors) were unavailable for the independent variables. Thus, the complete sample included 354 foundation-year observations.

Measurement

Dependent Variable. My dependent variable, *team foundation giving*, was defined as the sum of the total amount of grants and program service costs expended by a team's corporate foundation. For each year, grants and program service expenses were measured to capture both

the direct cash / grants made to charities and individuals as well as the indirect philanthropic contributions team foundations made through their direct service programs (i.e., community development programs, after school programs, special events, etc.) (Aggarwal et al., 2012; Sparvero & Kent, 2014). To correct for skewed values, the dependent variable was log-transformed.

Independent Variables. Based on precedence from prior research, my independent variables included: *Board size*, measured as the number of board of directors governing a team corporate foundation (Jaskyte, 2018); *women directors,* recorded by calculating the proportion of women on the board (Walls, Berrone, & Phan, 2012); *board chair team affiliation,* measured using a dummy variable indicating whether the foundation board chair was also employed by or affiliated with the team itself (e.g., CEO, owner, senior executive, manager, staff, etc.); *foundation paid executive director* measured by the presence of an executive director paid by the team foundation.

Control Variables. To rigorously control for factors that might affect a team foundation's giving, my analysis included several control variables at the team foundation and team level. Specifically, team foundation factors included whether a team foundation was classified as either a private foundation or a public charity according to IRS denotation. Some research has found that team foundations designated as public charities tend to have higher program service expense ratios than those of private foundations (Sparvero & Kent, 2014). Thus, I included a dummy variable (*private foundation)*, indicating whether the organization was a private foundation or public charity. Additionally, team *foundation revenues* and *foundation assets* were also included in the model, measured by the total annual revenues and assets of the foundation, respectively. The assets indicate the overall economic resources available for the foundation.

To account for distinct team factors, *team revenue* was measured through annual team revenues, which included revenues from ticket sales, local and national media broadcasting rights, sponsorship, concessions, merchandise, etc. (Inoue et al., 2011). I operationalized a team's financial performance as *team operating efficiency*, which was the proportion of operating income over total annual revenues (Inoue et al., 2011). I also controlled for *team age* (logged). In addition, *team winning percentage* (i.e., the percentage of regular-season games played by each team that was won) (Foster & Washington, 2009) were controlled for.

Finally, I controlled for demographic characteristics of the community in which team foundations operate based on MSA, which is the region that consists of the city and surrounding community which typically have a high degree of social and economic integration (U.S. Department of Commerce, 2010). I collected data on *local income*, which is operationalized by per capita income of the community, and *local population*. These variables would capture the overall economic situation and the size of community in which team foundations operate (Marquis, Davis, & Glynn, 2013).

Statistical Model

To test the hypotheses with the panel data, I used random effects model to account for multiple observations per team foundation. The structure of the model is as follows:

$$Team\ foundation\ giving_{it} = \beta_0 + \beta_1 Board\ size_{it}$$

$$+\beta_2 Women\ directors_{it} + \beta_3 Board\ chair's\ team\ affilation_{it}$$

$$+ \cdots + \beta_n (Controls)_{it} + u_{it} + e_{it}$$

where *i* is the individual team foundation, *t* is the observation year, *u* is the between-entity error, and *e* is the within-entity error. Considering the nature of the panel data, I ran a series of tests to determine whether fixed effects or random effects model would be appropriate

for the analysis. First, I performed an F-test of the fixed effects model and found that the null hypothesis that all fixed effects were jointly 0 was rejected, which provided evidence that fixed effects model was preferable to a pooled Ordinary Least Squares (OLS) model. Second, I ran the Breusch-Pagan Largrange Multiplier (LM) test for testing random effects. The results showed that the random effects model was more efficient than a pooled OLS model. Finally, I conducted a Hausman test to determine whether fixed effects model was more appropriate for the analysis. The test failed to reject the null hypothesis that the unique errors (i.e., fixed effects) were not correlated with the regressors. Thus, I can conclude that random effects model was preferable in my analysis (Hausman, 1978).

I also evaluated multicollinearity by calculating the variance inflation factor (VIF) based on the fully specified model. It was found that the VIFs for each independent variable were below 10 (ranged from 1.20 to 6.10), suggesting that the models had no issues regarding multicollinearity (Neter, Wasserman, & Kutner, 1985). Finally, a series of professional sport league indicators (i.e., MLB, NBA, NFL) was included to ensure that the CP outcome patterns were not a function of different league effects.

Results

Table 4.1 presents descriptive statistics, including means, standard deviations, and correlations of all variables. As seen in Table 4.1, the average team foundation giving was about $1.3 million per year. The average board size was approximately 8.66 directors per board and the average proportion of women directors was 29 percent. I also found that approximately 74 percent of team foundation board chairs had an affiliation with the parent team and about 20 percent of team foundation boards had an executive director paid by the respective foundations.

I present a test of the hypotheses in Table 4.2. Models 1 through 4 are mainly

informational, showing the main effects of each of the hypothesized variables with control variables. Model 5 presents the full model with all main effects which I use for the conclusions of the hypotheses testing.

Hypothesis 1 predicted that professional sport team foundations with larger boards of directors would have greater philanthropic giving. Model 5 strongly supports this prediction. In particular, Model 5 estimated that, on average, a 1 person increase in board size is associated with an approximately 2.2 percent increase in team foundation giving. The effects of board gender diversity and board chair's team affiliation on team foundation giving I predicted in Hypothesis 2 and 3 were not supported either in the reduced models (Models 2 and 3) or the full model (Model 5). However, Hypothesis 4 predicting that having a paid foundation executive director would increase team foundation giving was supported in Model 5. Specifically, the model suggests that, on average, having an executive director paid by a team foundation was associated with a 28.9 percent increase in the team foundation giving. Because the model is log-linear regression, I assume that a one-unit change in the independent variable was associated with a $100 \cdot \beta 1$ percent change in the dependent variable in the interpretation of coefficients.

I also conducted an analysis for robustness checks to provide additional support for the hypotheses. To this end, I specified my dependent variable differently by using team foundation total revenue from contributions, gifts, grants, and other similar amounts. These received contributions represent the extent to which the team foundations have raised funds for their social mission. Results using this alternative variable were similar to those presented above.

Discussion and Conclusions

Given the growing visibility of corporate foundations as a strategic avenue for CP, this study examined the relationship between corporate foundation governance and their CP

outcomes in the context of professional sport. To this end, the study analyzed longitudinal data of team foundation philanthropic giving and governance attributes, including structural characteristics (i.e., board size and board gender diversity) and leadership relevant to a foundation's independence (i.e., board chair's affiliation with the parent team and presence of a paid foundation executive director). The results suggest that larger board size and presence of a paid foundation executive director increase philanthropic giving of professional sport team corporate foundations. However, the effect of board gender diversity and board chair team affiliation on the organizational outcomes of corporate foundations was not found.

First, the results of the analysis confirmed that board size has a positive impact on team foundation giving. The results are consistent with previous research suggesting that larger nonprofit boards are more likely to have a greater capacity for resource acquisition and provision, which may lead to increased organizational performance (e.g., the amount of grant and program-related spending and the number of social programs that nonprofit organizations pursue) (Aggarwal et al., 2012; Miller-Millesen, 2003; Provan, 1980). A larger board with diverse members, who have different functional backgrounds and professional networks, would enable a better foundation's access to external resources and information that might support corporate nonprofits' activities (Jaskyte, 2018; Zhang, 2010).

Moreover, professional sport team foundations are more likely to be established as public charities, which is unique because corporate foundations from other businesses are usually set up as private foundations (Council on Foundations, n.d.). As public charities, team foundations may have a greater potential to engage and spend in / on fundraising activities and mission-related programs to seek broad public support (beyond from the parent team) (Sparvero & Kent, 2014). If that is the case, it would be favorable for team foundations to have a wide array of board

members (e.g., former athletes / sport stars, public figures from the community, local business actors) that can attract more organizational resources and enhance their CP outcomes.

My findings also can be related to the relationship that professional sport teams have with a community in which they operate. For example, some professional sport teams have engaged and developed strong connections with the community where they operate through 'Community Benefit Agreements,' which are contracts between teams and local governments in terms of the delivery of community benefits in exchange for public financing of their stadia construction (Garrison, 2018). In such cases, the teams may operate CP programs with an increased scale and intensity to fulfill their obligations towards the social contracts with their communities. Simultaneously, it is plausible that board size increases because more community stakeholders present on the teams' foundation board to address and deliver on the intended agreement. While I did not explore this factor in this study, this may be a fruitful area for future research to investigate how the relationship between sport teams and community affects the team foundation governance.

Second, while I hypothesized that team foundation boards with a higher representation of women would be more generous, the results did not support the effect of board gender diversity. Previous research in corporate governance has noted that the increased presence of women directors on corporate boards leads the company to make more generous philanthropic contributions (Marquis & Lee, 2013; Williams, 2003) or be more attentive to corporate social performance in general (Boulouta, 2013). Although my results were not consistent with these previous studies, I still suspect that board gender diversity can play a role in influencing varied team foundation organizational outcomes. Critical mass in gender representation may be a factor in influencing team foundation generosity. For example, some scholars have argued that sub-

groups can only influence the group when the size of the subgroup reaches a certain threshold or critical mass (Joecks, Pull, & Vetter, 2013; Kanter, 1977; Torchia, Calabrò, & Huse, 2011). For example, Torchia et al. (2011) found a positive relationship between the level of firm innovation and board gender diversity when attaining a critical mass of women on the board (e.g., at least three women directors). Given that the median value of women on boards of directors in my study was 2, the effect of board gender diversity on team foundation generosity can be further investigated in the condition of when a critical mass of women has been reached.

While the findings of this study did not find that board gender diversity influenced CP outcomes of professional sport team foundations, previous research has consistently identified a positive relationship between group diversity in sport organizations and organizational effectiveness and affective outcomes (Lee & Cunningham, 2019). For example, gender diverse boards tend to make decisions based on information from diverse resources available (Cunningham, 2008) due to the presence of women who have a transformational leadership style that enables a communicative and interactive board dynamic (Eagly, Johannesen-Schmidt, & van Engen, 2003; Wicker et al. 2020). I argue that gender-diverse corporate foundation boards may impact different aspects of organizational outcomes of team foundations, such as the development of foundation strategies, improvement of program effectiveness, incorporation of various social causes, which should be further investigated.

Third, the study investigated the relationship between board chair team affiliation and team foundation giving. I expected that having a board chair affiliated with the team would be associated with a decrease in charitable giving by a team foundation as parent team representatives may be more likely to be controlled by corporate interests and be more conservative in pursuing social goals. However, the results showed that the effect of the board

chair being employed or associated with the team's front office did not significantly affect corporate foundation giving. One explanation might be that given that most team foundations are public charities, there may be less direct financial support from the teams themselves which may limit the extent to which the team leadership directs team foundation's practices.

Another explanation for this finding may be the contingency effect of team owners holding the role of foundation board chair. It was found that approximately 47 percent of board chairs in this study were team owners (or team owners' family members). Professional sport team owners are typically powerful actors and decision-makers of their teams and have the power to significantly impact the strategic choices of the organization (O'Reilly, 2019). Presumably, a team owner's personal engagement, commitment, actions, and preferences have a significant impact on team CP outcomes if they serve as the chair of the foundation board. That is, personal commitment toward CP and interest in the social performance of team may vary from owner to owner, and thus, they might place more or less emphasis on CP and / or guide foundation giving in different directions. Therefore, I believe the presence of a team owner in the role of the foundation board chair may considerably alleviate the effect of board chair team affiliation I predicted in the study.

Lastly, the results showed that the presence of a paid foundation executive director is associated with an increase in team CP giving. This finding supported the critical role of paid executive directors in team foundation management and CP outcomes. In particular, these professionals who possess specific professional competence and knowledge in nonprofit management may improve corporate foundation performance and outcomes (Westhues & Einwiller, 2006). Moreover, executive directors paid by and exclusively working for the team foundation are comparably free from parent team influence and place priority on the social

mission of the foundation and focus on maximizing social impact. Anagnostopoulos and Winand (2019) noted that the executive director of a team foundation could lead the team to make a higher commitment to a social mission by effectively evidencing how social performance links to business performance. The findings also hinted that paid team foundation executive directors might have better capabilities to facilitate the acquisition of more resources for the foundation.

Overall, this study contributes to the literature on nonprofit governance and sport management in several ways. First, considering the peculiar relationship between corporate foundations and parent firms, my study highlights the role of boards of directors as an important form of CP governance. By illuminating the key elements of board structural characteristics and board leadership of corporate foundations, this study advances the understanding of specific governance aspects of CP and their effects on organizational outcomes. The findings imply that the governance structure of team foundations is a crucial mechanism with which to enact strategic CP. Second, although there has been a growth in professional sport team charitable foundations over the past 20 years (Babiak & Wolfe, 2013), suggesting a more prominent and formalized function in business strategy and social impact, there has been limited understanding of team foundation governance and its role in influencing CP outcomes. By using longitudinal data of professional sport team foundations, this study empirically examines the effect of foundation board attributes on CP outcomes and extends sport research on nonprofit governance.

Several managerial implications can be drawn from my findings. First, the findings imply that the governance (board) structure of team foundation may influence and guide CP outcomes. In other words, practitioners should carefully manage their board governance (e.g., board composition, diversity, leadership) because it may have a significant effect on corporate foundation outcomes both implicitly and explicitly. Based on the knowledge gleaned from this

study, CP managers may reflect on potential transformation of the board structure so that a team foundation (or team) can achieve their desired CP outcomes. For example, corporate foundation leaders may select and recruit board members from specific areas of expertise (e.g., education, law, health) who can provide resources to enhance the foundation's philanthropic efforts toward that particular social objective (e.g., community youth development). Moreover, from a stakeholder management perspective, carefully structuring foundation boards would be a possible means for a team to meet particular social expectations from their stakeholders and to enhance organizational legitimacy (Zhang, Zhu, & Ding, 2013). Second, the findings highlight the importance for increased giving outcomes of having paid executive directors exclusively working for the corporate foundation. This may be particularly relevant for those teams that aim to enhance their commitment toward social performance and community involvement, and those such as public charities who have a significant fundraising responsibility.

Limitations and Future Research

There are several limitations to the current research. First, my study sample and research focus on a unique context. U.S professional sport team foundations are uniquely situated because they operate in conjunction with their parent organizations which are predominately privately-owned businesses. Although research examining corporate foundation governance in the context of various institutional environments or different fields is desirable (Renz et al., 2020), corporate foundations in other fields / industries might face different organizational contingencies that affect board attributes and their effects. Thus, it would be possible that my model's results may not be replicable in the context of corporate foundations in different industries. Second, the study examines specific board attributes (i.e., board size, board gender diversity, board chair affiliation with the parent team, and presence of a paid executive director) of team foundations and their

relationship to generosity. However, there might be other relevant board factors that influence CP outcomes. In particular, future research could explore greater nuance in corporate foundation board composition, such as functional backgrounds of board members or the ratio of outside board members (who are independent of team / parent firm management), and investigate how these factors shape organizational outcomes. Furthermore, it would be fascinating to explore how unique and –potentially– competing interests of various board members (e.g., team executives, team owners, community representatives, other nonprofit executives) are navigated in the boardroom. For example, what if a community representative proposes philanthropic practice that is not aligned with the team owner's interest or focus? How may the board chair grapple with this situation?

Third, my study examines the link between team foundation board chair and organizational outcomes. However, I did not examine the effect of influential or powerful actors within the board, such as team owners. For example, upper echelons theory highlights that individual attributes of the leaders (e.g., CEO, owner, senior executives), such as age, gender, personal value, functional background, and experience, might influence strategic decisions of an organization (Hambrick, 2007; Juravich, Salaga, & Babiak, 2017). Marquis and Lee (2013) argue that understanding the leaders' influence helps to understand organizational contingencies which enable and constrain CP. Unlike most business owners who prioritize profit-seeking, it was noted that the purpose of owning a team may vary from owner to owner, such as profit, sporting performance (e.g., winning a championship), enhancing personal profile, protecting team as a community asset, and realizing a personal passion in sport (Foster, O'Reilly, & Davila, 2016). Thus, future research might consider examining the influence of team owners in team foundation governance and board dynamics.

Finally, my exploratory study provides a first step in understanding the relationship between corporate foundation governance and CP outcomes explicitly using team foundation giving data. However, outcomes can be measured from different aspects of CP, such as major focus area of foundation programs, the ratio / number of grants / programs, the characteristics of beneficiaries (e.g., individuals vs. organizations). Thus, future work might examine how corporate foundation governance influences these various outcomes of CP.

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Table 4.1

Descriptive Statistics and Correlations

Variables	Mean	SD	1	2	3	4	5	6	7	8
1. Foundation giving	1.281	1.419								
2. Board size	8.664	5.343	.246							
3. Women directors	28.56	18.52	.021	.272						
4. Board chair team affiliation	.740	.439	.082	-.253	-.293					
5. Paid executive director	.203	.403	.274	.187	.124	-.053				
6. Private Foundation	.215	.411	-.051	-.233	-.058	.028	-.110			
7. Foundation revenue	1.643	1.781	.705	.205	.064	.066	.294	-.030		
8. Foundation asset	2.296	3.399	.361	.102	-.008	-.009	.093	.060	.571	
9. Team revenue	245.9	116.4	.341	.027	.025	.046	.027	.115	.366	.275
10. Team operating efficiency	.110	.134	.190	-.008	.044	.015	.062	.135	.186	.155
11. Team age	50.30	32.69	.323	.102	-.033	.030	.057	-.028	.313	.306
12. Team winning %	.510	.141	.105	.040	-.003	.056	.091	-.088	.105	.024
13. Local income	32.88	5.782	.188	.108	.104	-.024	.276	.044	.235	.087
14. Local population	5.797	5.150	.073	-.152	-.149	-.034	-.168	.072	.035	.018
			9	10	11	12	13			
10. Team operating efficiency			.556							
11. Team age			.345	.174						
12. Team winning %			-.098	-.051	-.016					
13. Local income			.360	.221	.155	.099				
14. Local population			.171	-.047	.155	-.007	.195			

Note. This table reports means and standard deviations using the original untransformed variables (Foundation giving, foundation revenue, foundation asset, and team revenue in millions of dollars; team age in years; home game attendance and local populations in millions; local income in thousands of dollars).

Table 4.2

Random Effects Model Predicting Team Foundation Giving

Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Board size	.020**				.022*
	(.008)				(.010)
Women directors		-.000			-.001
		(.003)			(.003)
Board chair team affiliation			.049		.155
			(.115)		(.129)
Paid executive director				.301*	.289*
				(.159)	(.162)
Private foundation	.074	.031	.029	.059	.095
	(.131)	(.126)	(.127)	(.127)	(.125)
Foundation revenues	.000***	.000***	.000***	.000***	.000***
	(.000)	(.000)	(.000)	(.000)	(.000)
Foundation asset	-.000	-.000	-.000	-.000	-.000
	(.000)	(.000)	(.000)	(.000)	(.000)
Team revenues	.001	.001^{+}	.001	.001	.001
	(.001)	(.001)	(.001)	(.001)	(.001)
Team operating efficiency	.423	0.401	.398	.368	.383
	(.335)	(0.342)	(.343)	(.332)	(.328)
Team age	.003^{+}	.003*	.003*	.003*	.003^{+}
	(.002)	(.002)	(.002)	(.002)	(.002)
Team winning %	.392	.371	.371	.367	0.389
	(.271)	(.272)	(.272)	(.268)	(0.266)
Local income	-.000	-.000	-.000	-.000	-.000^{+}
	(.000)	(.000)	(.000)	(.000)	(.000)
Local population	.000	.000	.000	.000	.000
	(.000)	(.000)	(.000)	(.000)	(.000)
Constant	12.76***	12.90***	12.85***	13.00***	12.75***
	(.369)	(.378)	(.416)	(.376)	(.426)
Observations	354	354	354	354	354
Number of team foundations	96	96	96	96	96

Note. Robust standard errors in parentheses. All models include league year effects.
$^{+}$ $p<0.1$, * $p<0.05$, ** $p<0.01$, *** $p<0.001$ (one-tailed for hypothesized, two-tailed for controls)

CHAPTER V

Conclusions

This dissertation aimed to extend our understanding of the variation of CP across professional sport teams in the United States. Although the prominence of the practice of CP has increased over the past decades, professional sport teams have displayed varying levels of engagement, activities, and notably philanthropic contributions despite being in the same industry. With this dissertation, I sought to answer the question: *why do some teams give more than others despite being in the same industry?* To unpack this variation, I explored the factors influencing the CP of professional sport teams by investigating the influence of 1) multiple institutional peers; 2) community institutional forces; and 3) team foundation governance. These factors were empirically examined in each study using longitudinal data of philanthropic giving by team charitable foundations in four professional leagues in the U.S.

The three papers in the dissertation extend our understanding of the institutional and organizational factors around CP in professional sport. Study 1 (Chapter II) focused on multiple field embeddedness (i.e., league and geographic community) of professional sport teams and investigated how influences from multiple peers might affect team philanthropic giving. Notably, the study incorporated the concept of institutional equivalence and depicted local rival teams (i.e., teams from the same professional sport league located in the same community) as a primary reference group of imitable peers. The findings suggested that sport teams were more attentive to their league peers than local peers, and the effect of league peers was stronger when the team's

foundation size was smaller. However, a significant effect of institutional equivalents, as hypothesized, was not found. In Study 2 (Chapter III), I delved into how different community level institutional forces – regulative, socio-normative, and cultural-cognitive – affect the level of team philanthropic giving. In particular, I examined the influence of state income tax rates (i.e., regulative), the presence of local nonprofit organizations (i.e., socio-normative), and levels of volunteerism of a community (i.e., cultural-cognitive) on philanthropic giving across professional sport teams. The results suggested that regulative and socio-normative forces were positively associated with an increase in a team's philanthropic giving. Study 3 (Chapter IV) investigated team foundation governance and its effect on team philanthropic giving. Specifically, I explored the attributes of boards of directors, the governing body of corporate (team) foundations. This study considered board structural characteristics (i.e., board size and board gender diversity) and board leadership (i.e., board chair team affiliation and presence of a paid foundation executive director) as determinants of charitable giving in professional sport teams. The results showed that board size and the presence of a paid foundation executive director was positively associated with an increase in philanthropic giving of team foundations. Figure 5.1 illustrates a summary of the dissertation.

Collectively, the findings in Study 1 and Study 2 suggest that professional sport team CP is affected by various institutional forces from multiple fields. For example, although Study 1 highlighted that professional sport teams pay more attention to their league peers than local peers in determining their level of philanthropic giving, Study 2 suggested that the community has a significant influence on the philanthropic behavior of sport teams through regulative and socio-normative institutional forces created and conveyed by collective local actors. These findings imply that sport teams may be affected by community factors that have some form of

institutional arrangement / consensus (e.g., legal structure (state tax) / social expectations created by social infrastructure (local nonprofits)) but not by individual actors (e.g., local sport teams). By empirically testing the effects of league and community, these studies expand the understanding of how institutional factors affect the philanthropic practices of professional sport teams. While the first two studies draw on institutional perspectives, Study 3 focused on team foundation governance as an organizational contingency which might promote or constrain CP. In particular, Study 3 sheds light on a broader understanding of team foundations by illuminating the critical elements of board attributes relevant to the distinct relationship between the foundation and its parent organization, further providing insight into how foundation governance affects organizational outcomes in terms of philanthropic giving.

Together, I argue that the variation of CP in professional sport is attributed to varied influences from multiple institutional environments and organizational contingencies. The findings of this dissertation highlight that CP is a multifaceted and contextual organizational phenomenon whose drivers and outcomes may vary by institutional and organizational environments in which a team operates. An important implication of these findings is related to how professional sport teams can create meaningful social impact through CP. By considering both the external and internal environments in which teams are situated, CP leaders could better manage and plan their CP in a more strategic manner and work to more effectively support both social and business goals. Furthermore, sport teams would benefit from having governance structures around CP that can correspond to their external environments (e.g., inclusion of the board members with connections in the local community for deeper understanding of the context and needs of community), creating a synergistic effect in delivering CP.

This dissertation advances existing CP and sport management literature in several ways. First, the dissertation contributes to institutional research in sport management. Institutional scholarship in sport tends to explore sport organizations within a single organizational field and has typically examined pressures that lead to homogeneity or conformity in the adoption of organizational practices / behaviors (Gammelsæter, 2010; Nagel, Schlesinger, Bayle, & Giauque, 2015; O'Brien & Slack, 2004; Washington & Ventresca, 2008). However, this dissertation has examined the phenomenon of heterogeneity within in the broader institutional process by exploring the variation of CP practices across professional sport teams. Specifically, it highlights the simultaneous institutional pressures shaping organizational practices of sport organizations. The exploration of varied institutional factors of CP in multiple field embeddedness settings contributes to an important broader conversation and understanding of socially responsible practices and discretionary organizational activities in professional sport. Furthermore, the questions and perspectives considered in this dissertation lend themselves to exploration of other issues where heterogeneity in sport occurs. Second, this dissertation contributes to the literature on CP by filling the research gap pertaining to environmental factors of CP (Gautier & Pache, 2015). Specifically, the dissertation adds knowledge of how corporate social actions are anchored in the institutional and social structures of local communities. Community is not only the spatial boundaries of markets but entails important social and cultural factors that can promote or constrain philanthropic practice of organizations. The findings of the dissertation indicate that future research on desirable social outcomes through CP can be built up by examining institutional processes and dynamics between relevant actors at the community level. Third, this dissertation extends understanding of the relationship between foundation governance and CP outcomes in the context of professional sport. Further, it provides insight into the foundation

governance mechanisms that can aid in enacting CP more strategically. Finally, this dissertation advances CSR research in sport management by providing a rigorous application of institutional theory and quantitative analysis, an area identified as a scholarly gap by Walzel et al. (2018). By doing so, this dissertation provides a more nuanced view and deeper understanding of socially responsible behaviors of professional sport organizations.

Practical Implications

This dissertation offers several practical implications. Given Study 1 and Study 2's identification of the importance of institutional environments in guiding the philanthropic behavior of professional sport teams, CP practitioners should pay attention to their environments in order to maximize both business goals and social impact through their philanthropic practices. From a managerial perspective, practitioners may look at their reference groups (e.g., league or local peers) as one benchmark of how or how much to invest in their CP efforts. Moreover, they should be attuned to institutional signals within the field in which they operate. In particular, they should assess the values, norms, and expectations around CP in the community and identify pressing local social needs that require attention and support. For example, they might form a professional network across the leagues (e.g., team foundation directors' network) for continual dialogue regarding pressing social issues and CP strategy. They might also listen attentively to their community's needs and issues by creating an interactive channel and information exchange with community members. These assessments of the institutional environments might enable corporate organizations to enact strategic CP that can make the most significant social impact.

From the perspective of the social and public sectors, the findings of Study 2 in particular, imply that policymakers / nonprofit practitioners / interest groups at the community level may leverage community institutional forces to directly exert pressures on corporate

organizations or indirectly raise the 'bar' of corporate social actions to fulfill their desired social goals. Specifically, professional sport teams may be more responsive to their immediate institutional environment in which they operate given their stronger and more loyal customer base (Sheth & Babiak, 2010) and their interactions with key local stakeholders (Babiak & Kihl, 2018). At a more practical level, the findings of Study 3 provide a deeper understanding of corporate foundation governance and its effect on CP outcomes, but furthermore suggest that governance structures and leadership can be a powerful tool for promoting CP. For example, the findings offer actionable strategies on the governance (board) structure and leadership for corporate foundation practitioners, such as increasing board size by recruiting the board members who can bring various perspectives on foundation responsibilities, practices, and organizational resources, or having paid executive directors dedicated and responsible to delivering on the mission of the corporate foundation. By doing this, corporations may enhance their commitment toward social performance and community involvement and ultimately enhance their intended social impact.

Limitations and Future Research

This dissertation includes limitations and boundaries that I hope future research will address. Throughout the three studies, I explicitly examined philanthropy giving data (i.e., the sum of annual grants and program service expense) by team foundations as the measurement of professional sport teams' philanthropic contributions. Although this measurement may represent the level of the team's CP in general, it may not fully account for the entire philanthropic activity or social impact of a professional sport team. There are also other aspects of impact and outcomes that can be addressed in future research. For example, it may be fruitful to explore how league and / or community affects the way in which professional sport teams deliver the philanthropic contributions (e.g., many / multiple donations and grants to a large number of grantees or significant / larger amounts to fewer grantees) or their focus of the grants and

programs (e.g., education vs. health). In addition, future work may explore how the motives and aims of CP differ at the team level, which may range from general altruism to pure profit maximization or other economic / market-oriented goals.

Next, future research might expand on the approach and findings of the dissertation and apply it to the different socially responsible practices in professional sport. For example, as 'Black Live Matters' (BLM) – a political and social movement protesting police brutality and racial violence – has escalated across the country in 2020, there have been increased calls for social change with respect to racial justice across businesses. Professional sport leagues and teams also have stepped forward to advocate social justice in more formalized and public ways. At the league level, the National Basketball Association (NBA) recently established a new charitable foundation that will work to foster economic growth in the Black community, announcing a 10-year, $300 million contributions (NBA, 2020). Moreover, 11 professional sport teams from different leagues in the greater Los Angeles area announced "The ALLIANCE: Los Angeles" to unite their dedication to create positive change in communities of color through sports and social programming (Negley, 2020). Future research may explore how teams take actions to address issues of social justice and how institutional environments shape and guide their social actions. In addition, it would be interesting to examine whether the influence of one field is stronger than that of another field when the context is different. For example, one may examine and compare the influence of league governing bodies, community actors, and social movement groups on professional sport teams in addressing social justice issues.

Moreover, future scholarship could expand on the approach for examining variation in organizational responses to institutional pressures in professional sport teams. For example, the phenomenon of sport betting may benefit from insights garnered from this dissertation.

Specifically, although the U.S. Supreme Court legalized sport betting in 2018 (de Vogue & Vazquez, 2018), the climate for sport betting legislation still varies by state regarding the legality of sport betting, type of sport betting permitted (e.g., in-person, on-line), and other prohibitions (e.g., no betting on games involving in-state college teams). Given this situation, one may examine the influence of multiple fields (e.g., league, states, and gambling industry) in steering and guiding professional sport teams' business practices in responding to this new change.

Although the findings of this dissertation demonstrate the effect of institutional and organizational factors influencing a teams' philanthropic contributions, the process and dynamics of the mechanisms is unknown. To provide a fine-grained understanding of multiple institutional influence around CP in professional sport, future research might consider conducting qualitative studies targeting professionals in the team and team foundations. For instance, professional sport teams may receive institutional pressures from the league and community regarding their legitimate organizational practices, which may or may not be consistent. Thus, future research could explore how professional sport teams experience and navigate simultaneous institutional forces from multiple institutional environments. Together, this research might examine how team foundation governance structure moderates these organizational processes.

At the organizational level, this dissertation highlights the governance of the foundation board as a powerful mechanism influencing organizational outcomes of corporate foundations. However, there might be other crucial organizational governance factors. For example, the role and influence of team or foundation leaders may be another influential actor in the decision-making process of organizations (Hambrick, 2007; Marquis & Lee, 2013). Given that a team owner has ultimate decision-making discretion of organizational strategy implementation (Foster, O'Reilly, & Davila, 2016), future research might explore the influence of team owners in team

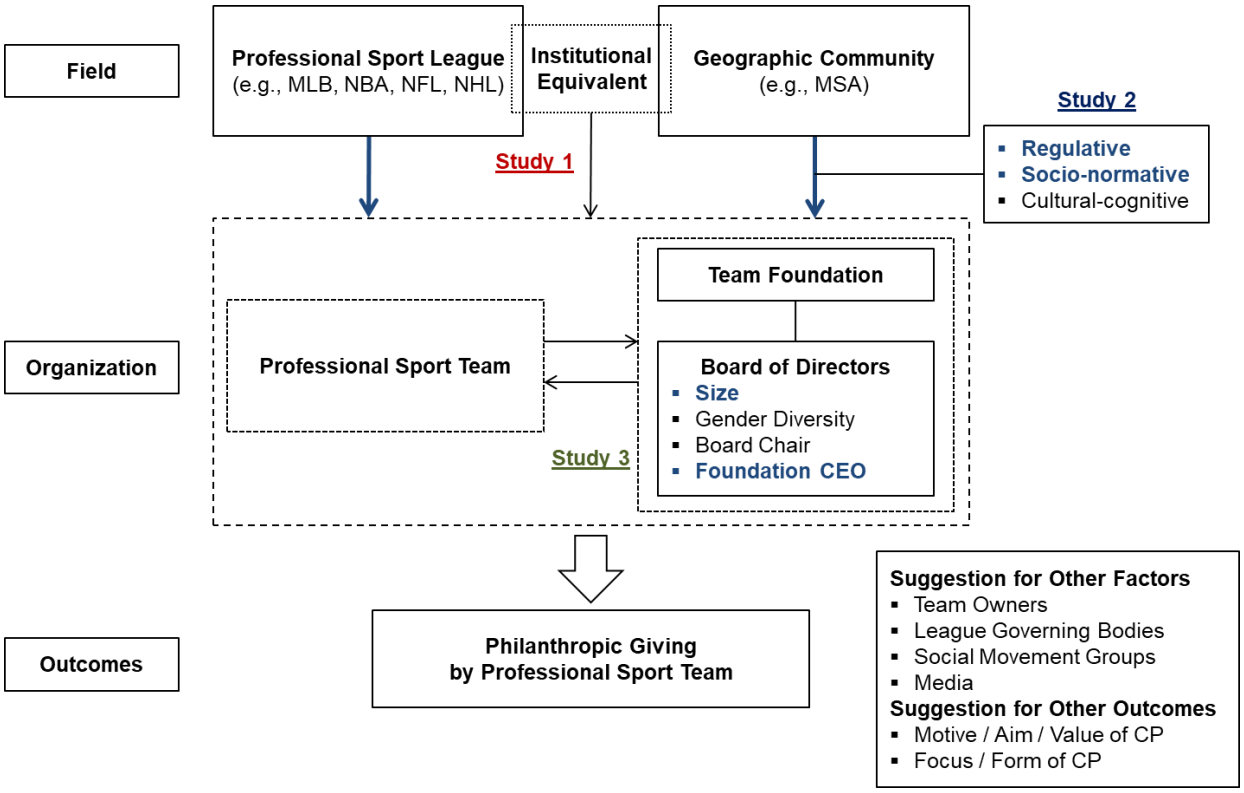
foundation governance and their effect on the choices related to CP. For example, it would be interesting to explore how these influential individuals shape the mission, aims, values of the organization, and in turn, contribute or hinder organizational efforts around CP.

Concluding Remarks

Given the long debate on the motives, the value of, and inconclusive effect of CP on corporate financial performance, we need to better understand what factors influence corporations to engage in varying levels of CP. This dissertation shows that CP is a complex organizational practice shaped by multiple institutional and organizational factors. Unlike the equation of inputs and outputs in business operations, CP's outcome is not always linear or predictable. In recent years, the landscape of CP has significantly changed as society demands greater accountability of business in their social role. Large corporations have begun to embrace a shared-value approach to their business beyond their existing philanthropic efforts by taking a public stance on social-political issues and integrating them into their core business operation. Although it is still contested how far for-profit organizations–such as professional sport teams–can help address complicated social problems and create social impact, examining their potential as a meaningful social actor is still critical. To move CP beyond simply 'doing good' to become a 'game-changer of social impact,' CP should be based on a more concrete understanding of the external environment in which corporations are embedded and align with appropriate organizational structures and systems. I hope this dissertation contributes to future research on the enhanced role of CP.

Figure 5.1

Summary of Dissertation



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